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DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1985

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON

H.R. 5973

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1985, AND FOR OTHER PURPOSES

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Congressional witnesses
Department of Energy
Department of the Interior
Indian Health Service
National Endowment for the Arts
National Gallery of Art
Navajo and Hopi Indian Relocation Commission
Nondepartmental witnesses

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DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1985

U.S. Senate,
Subcommittee of the Committee on Appropriations,
Washington, D.C.

NONDEPARTMENTAL WITNESSES

[Clerk's note.—The subcommittee was unable to hold the hearings on nondepartmental witnesses, but the statements of those submitting written testimony are as follows.]

[The information follows:]

LETTER FROM THE NORTH AMERICAN INDIAN ALLIANCE BOARD OF DIRECTORS AND BUTTE INDIAN HEALTH CARE PROGRAM, BUTTE, MONT.

March 26, 1984

Senate Appropriations Subcommittee on Interior
and related Agencies
Chairperson: Senator James McClure
114 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Honorable Senator J. McClure:

We are writing on behalf of the Native Americans living in Butte-Silver Bow, Beaverhead and Madison Counties and their health concerns and continued health care services.

We would like to express our deep gratitude and appreciations for your continued support which has been the key to the survival of the 37 Urban Indian Health Programs in 19 states and of which Montana is included.

For the third consecutive year, we are once again faced with administration proposals to eliminate the Urban Indian Health Programs that are funded under the authority of Title V of the Urban Indian Health Care Improvement Act.

We must fight tooth and nail every year just to survive in spite of the fact that we have demonstrated success and ability in improving the aggregate health status of our entire clientele. These Native Americans are currently served by 37 programs in 19 States. We have six Urban Indian Health Programs in Montana. They are located in Butte, Anaconda, Great Falls, Missoula, Miles City and Billings.

The Butte Center is located the farthest distance from an Indian Health Service Center that is based on any of the seven reservations in Montana. According to the 1980 census, the Indian population in the Tri-County area was 669. In a recent attempt to more accurately determine the Indian population, we discovered that the population of Silver Bow County alone is 704.

However, we have not at this time been able to obtain an accurate count from Beaverhead and Madison Counties. The American Indian and Alaska Natives have always been a nomadic people. Indians that are residing in urban areas have maintained close and strong relationships with their tribes and have the same low health status as their reservations relatives. The demand for health care continues to increase with the present conditions that exist in this economically depressed area.

Furthermore, the staggering unemployment levels among the Urban Indian has compounded many problems and we are seeing a higher number of battered women and far too many cases of abused children than we have ever seen in the past. More and more women are requesting mental health services. Our ability to improve the health status of the Indian population is dependent upon how effective we are with the health needs of our Indian women and their children.

The men are lost when they are forced to join the ranks of the unemployed and do not have the feeling of being worthwhile, and this results in irrational behavior. The result is a staggering 27% Indians inmates in our State Prison and other State and Federal Institutes. Many programs have turned medical patients away due to their inability to pay and because the existing programs do not have the funds or resources to give the patients proper treatment. There are many true instances which point out the problems to care-giving resources in the community.

Example: A lady who was unable to obtain medical attention for her arm came to the North American Indian Alliance. We took her to a local doctor who offers free medical services in emergencies. His expertise was limited and he strongly urged that her arm be x-rayed for a possible fracture. He then sent his recommendation to the Welfare Department. We provided her with transportation to the Welfare Dept. and was informed that they were unable to assist her due to the fact that she owned her own home.

The home has been up for sale for the past three years and as of the present date, still has not been sold, due to new policies from the state level, they could not assist her in obtaining medical care. We contacted the Social Services at St. James Hospital and after much discussion concerning the matter, we were able to get her arm x-rayed and arrange for an extended period of time for her to make payments. In order for her to see an orthopedist, she was required to pay the cost of the office call before he would read the x-rays. The arm was factured.

This was a six-hour job in obtaining the lady medical attention. We feel that it is a sad day in America when a person must suffer an injury due to the bureaucratic policies which state that an injury or illness must be life threatening before assistance can be rendered to a person in need.

Despite these horror stories it is most important to note that we, as an Urban Indian Service here in Butte, have taken great strides in cooperating with existing Health Care Systems. We also provide information and referral work extensively to both private and public health care providers.

Without the existing Butte Indian Health Services which porvide an advancing role among Indians in need of medical care, they would be deprived of adequate medical and health care. The reductions in funds and policy changes are a never-ending situation and they have been for the past three years.

Increase to FY-83 Appropriations Withheld: Efforts to improve the health status of our patients have been met by administration obtacles. Last year Congress recognized the need to increase Title V appropriation as a means to keep pace with the ever increasing cost of Health care and provide a $1 million increase. To date, that increase to meet the needs as seen by Congress, has not been passed along to service programs by the Indian Health Services.

It is common knowledge that since the shut down of the Mining operations here in Butte, unemployment is at record levels. We feel that if our government can spend Millions Of Dollars on foreign aide, they should be able to also help their own people here at home. It makes us wonder why our own American people, in many cases have to go without while millions of dollars are being squandered overseas. We also feel our treaty rights should be honored as equal to those of Israel, El Salvadore, and any other Nation.

We are now half-way through the fiscal year with no indication that the increase will be channeled to the Urban Indian Health Program.

They have failed to request funding for the Urban Indians under Title V of the American Indian Health improvement Act for the fiscal year 1985. Their reason is that their is alternate health resources for Indian peoples for urban Indians. The Indian client is caught in the middle and must prove he is ineligible for Health care on the reservation before they (resources Welfare Assostance ect.) can assist him for medical help. An Indian living in Butte, Montana is farthest away from any Indian Health Service Hopital. And due to budget cuts on the reservation Indian Health Services this would be an impossibility.

In concluding, we would appreciate your prompt attention to this serious and most important matter. The plight of the Urban Indian in Montana is rapidly developing into a desperate situation. Your quick reply would be greatly appreciated. Thank you.

Yours Truly,

Board Chairperson Esther White
ESTHER WHITE

Vice Chairperson Rose Gray
ROSE GRAY

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MONA AZURE

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DOROTHY ANDERSON

BUTTE INDIAN HEALTH PROGRAM

Lena Buckman
LENA BUCKMAN

Caroline M. O'Neill
CAROLINE O'NEILL
Health Director

Carol Falcon
CAROL FALCON

STATEMENT OF ROSS O. SWIMMER, PRINCIPAL CHIEF, CHEROKEE NATION OF OKLAHOMA

This testimony represents our views and concerns with respect to the proposed FY '85 appropriations for the Indian Health Service. It is divided into three parts: those concerns relating specifically to the Cherokee Nation, those relating to the IHS Appropriations and those of a general policy nature. We recognize the separation that must be maintained between appropriation actions by your Committee and policy actions by the Interior and other Committees. However, we also recognize the ways that appropriations shape policies and submit these concerns for your consideration.

PART A

Cherokee Nation Health Programs

The new W. W. Hastings Hospital is now open for business. It is a beautiful facility - not only in structure but in service. The members of the Cherokee Nation thank you very much for the access you have provided to such a quality program.

The outpatient programs at W. W. Hastings were designed to provide routine ambulatory care to the Indians living in near proximity and follow-up speciality care for those who live within the outer boundaries of the Service Unit. They are currently having to provide the majority of all ambulatory care for all Indians residing in the Service Unit. The reasons for this are quite simple - there is no permanent full-time clinic at Sallisaw and the clinic at Stilwell is too small and operating in excess of capacity. This is not in conformance with the expressed intent of this Committee when funds were appropriated for W. W. Hastings. The Committee said that ambulatory care facilities should be built in Sallisaw, Stilwell, Locust Grove and Webbers Falls. The space allowance for such care at W. W. Hastings was reduced accordingly to reflect this policy.

The most urgent need at this time is for a clinic to be built in Sallisaw. There are in excess of 5,000 members of the Cherokee Nation who have been travelling to Tahlequah for their care. In addition, many people are simply not getting routine medical care. The Indian Health Service agrees that there is a need for a 20,000 square feet clinic in Sallisaw. They estimate it will cost $3,500,000 to build the clinic and another $1,550,000 to staff it. The IHS also says that it will be very high on the priority listing in FY '86. We can guarantee you that irreperable damage will be done to Hastings Hospital if it has to operate at its current level of ambulatory care for another two to three years. We want to discuss further with you the possibility of building it in FY '85 and the estimated costs of doing so.

The Cherokee Nation emphasizes all aspects of health promotion. We have many programs directed to assist the individual to recognize his/her role in maintaining health and avoiding problems. Many of these programs are young and the benefits will not be felt until both the ideas and participants mature, but it is our desire to continue the growing emphasis on health promotion. One of the programs which we have begun is that of "Donated Foods" with the Department of Agriculture. If you are unfamiliar with the program, the concept is relatively simple. Recognizing that proper nutrition is essential to maintaining health, recognizing that many individuals do not have the resources to purchase food and recognizing that many individuals do not wish to participate in the Food Stamp Program, the Department of Agriculture has developed a network to move surplus food stuffs into the hands of those who need them. The Cherokee Nation is going to serve as the intermediary in that network. We are going to do that because we know where these people live, how to communicate with them (many speak only Cherokee) and how to get the food to them efficiently. We also know that there are related medical and dental problems that the targeted population have. The one that we would like to discuss now is a dental problem. For many of these elderly, it will be of minor significance for us to reach them with the food. They, like many of our elders, have a need for dentures with which to chew their food. The IHS dental program rarely provides dentures to those in need. Their emphasis is and always has been acute dental problems and preventative services for the young. Denture services for the elderly continues to be a very low priority. The Cherokee Nation feels that it can fill this void. With some assistance in the form of seed money, we feel we can begin a self-sustaining denture lab. We have requested that the old W. W. Hastings Hospital be transferred to us and intend to use that facility for programs such as this. With a one-time appropriation of $500,000, we could have a lab running in the next fiscal year. It is important to us that you fully recognize the need for this service and consider in what ways you may be able to help us help ourselves.

PART B

Indian Health Service Appropriations

The President has proposed no real dollar increase in the Clinical Services request for Delivery Systems. The 4% increase a) will not match increases in costs of operations and b) is offset by the fact that some of the increase is to be used to fund the indirect costs of tribes assuming management of programs. We suggest that the Committee staff look very closely at what is funded in this budget activity. It is not clear at all from reading the Justification, further research is necessary. When you do this, it will become painfully clear what deliterious outcomes result in failing adequately to support this activity.

The President has proposed that no funds be appro. for Tribal Management Support. This policy would be antithetical to that openly expressed by President Reagan. He has called for the strengthening of tribal governments and special efforts to develop Reservation self-sufficiency. Tribal Management Support funds have been the means by which IHS has done this. If you eliminate this funding, that effort will cease.

The President has proposed that no funds be appropriated for the Community Health Representatives program. We can only speak to the use of the CHR funds in the program servicing the Cherokee Nation. They are integral to our system. We understand the concerns that have prevailed for the last four years with respect to CHR's. We also understand that the IHS was suppose to develop a means of evaluating CHR programs. Why would there be proposed the elimination of a program in the midst of its evaluation? That evaluation should be completed and used in the decision-making with respect to the FY'86 Appropriation and the FY '85 Appropriation should continue the program at its current level.

Lastly, we would like to draw attention to the diminution of funds available for health promotion. There has been steady erosion of such funds over the last ten years. Even the American Public Health Association finds the situation critical enough to have passed a related resolution at its national meeting in November. We suggest that the Committee work with Tribes and the Department's personnel to review and re-construct a reasonable program.

PART C

General Policy Issues

These questions have been discussed many times. It is very important that an intention to resolve the problems be shown. In terms of eligibility, we feel strongly that it is the responsibility of any sovereign nation to identify the terms of its membership. The Cherokee Nation stands ready at all times to provide the Congress and Executive Branch with a listing of its members. We feel that all members of the Cherokee Nation are eligible for all of the Federal government's programs directed to Indians.

In terms of the provision of services to non-eligible persons in IHS programs for a fee, if it can be done without denying an eligible person any such service, we support such a policy.

The Administration has spoken many times of tribal self-sufficiency but refuses to recognize the problems that occur when tribes assume responsibility for a program but are not funded at a level that covers the full cost of administering the program. The total cost of operating programs must be recognized and funded.

The Cherokee Nation does not wish to involve itself in the decision making as to where the IHS should be located in the structure of the Department of HHS. It would appear that a move up one level to the "Agency" level would have many benefits. However, we hope that before any move is made, both the Executive Branch and the Congress are in agreement as to why a move is necessary and how Indians would benefit from it.

My staff and I are ready to pursue further these concerns and any more of your choice. Thank you very much for the opportunity to provide testimony. I look forward to working with you in the future.

STATEMENT OF THE SOCIETY FOR AMERICAN ARCHAEOLOGY

Mr. Chairman and Members of the Committee, the Society for American Archaeology is pleased to note the progress that has been made in the Department of Interior programs for archaeology. Federal archaeological programs enable us to learn about our past -- about who we are and how we have lived on our planet. They provide us with an intellectual laboratory in which we can explore alternative ways of interacting with ourselves and the natural environment. They enable our citizens to share the excitement that comes from exploring the greatness of the people who have inhabited our country over the centuries. And they provide spin-off benefits ranging from the development of new irrigation methods based on century-old irrigation techniques to the utilization of stone-age tool making techniques for the preparation of obsidian (volcanic glass) surgical tools to the increased tourism revenues which archaeological sites bring into communities. We believe that the strong interest this Committee has traditionally displayed and the dedication of the staff and management of the National Park Service's archaeological programs are major reasons for this progress.

The National Park Service (NPS) serves as a lead agency for archaeology within Interior. Faced with limited resources for archaeological research and protection, NPS has become increasingly aware of the importance of establishing policy priorities for its archaeological work. We agree that the establishment and monitoring of priorities is a vital cultural resources management function.

We urge that two policy priorities be recognized:

1) the Department of Interior should seek to ensure effective coordination of Federal archaeological activities (including minimizing redundant management, research, recovery, preservation, and curation activities and ensuring that projects are carried through to their logical completion or terminated for cause rather than ideological convenience); and,

2) the Department of Interior should seek, to the extent compatible with effective cultural resources management, to minimize management expenditures in order to maximize expenditures for archaeological research; for recovery, preservation, and curation of important archaeological resources; and for dissemination of the results of research through scientific and public information programs.

The NPS computerized archaeological resources data base, established under funds appropriated last year by this Committee, is an excellent example of how coordination can be stimulated in a cost-efficient manner. Duplication of survey work was a major coordination problem highlighted in a recent GAO report as an area of concern.

The data base will contain two types of information:

1) a bibliography of cultural resource projects, which describes the nature of the projects, and their locations; and,

2) a catalogue of other data bases with information on areas of interest to users of the master data base and information on gaining access to those data bases.

This strategy for the data base is excellent. By providing a centralized access point for information on previously conducted work, it will enable the agencies to avoid costly and inefficient duplications of archaeological surveys. By providing a hierarchical peak for already existing Federal, state, and private data bases, it avoids redundancy between data bases (and thus unnecessary costs). At the same time, by highlighting areas where data access is limited, it will encourage states to further develop and computerize their own data bases on archaeological resources within their boundaries.

NPS currently plans to have a pilot project on a regional level operational by the end of the current fiscal year. This pilot project will enable evaluation of the data base design and operation prior to its full scale implementation. This procedure also is excellent as it allows for early and cost-efficient debugging of the data base.

Entry of initial data representing decades of Federally-funded work is a labor intensive task. Once data is stored in an electronic medium, however, it can be reproduced and manipulated with the aid of computers. Thus, the labor intensive phase is limited to the initial establishment of the data base. Data entry of current information is a relatively modest task.

This Committee should be proud of this NPS effort. Without the funding and corresponding report language you adopted, it would not have been undertaken.

Unfortunately, an insufficient amount of the funding appropriated by Congress was applied to this project due to internal NPS decisions. Further, during the formulation of the NPS FY 1985 budget, the Park Service failed to include funding to ensure data entry beyond the pilot project stage. These funding decisions prevent the data base from functioning as Congress intended.

The Society believes that the Archaeological Assistance Division requires additional funding of $100,000 to carry the project through completion as a national data base as this Committee and the Congress intended. We urge you to direct NPS to expend funds for this purpose.

NPS also has made significant progress towards coordinating the conduct of Federal Government archaeological activities under the National Historic Preservation Act through its Standards and Guidelines. The effective operation of this new approach requires the preparation of high-quality Technical Memoranda. High-quality Memoranda can only be prepared through the conduct of relevant archaeological research, designed to verify the applicability of techniques and methodologies in practical applications.

Encouraging the development of Memoranda as part of the research process rather than as an independent management function enables NPS to accomplish two objectives with the same funds. It focuses scarce resources on the actual conduct of archaeological activities while also meeting Memoranda development goals. We urge the Committee to direct the National Park Service to appropriate $400,000 for an Archaeological Assistance Division program of sponsored archaeological research with significant methodological consequences for Memoranda.

The data base will enable us to know where we have been. The Standards, Guidelines, and Technical Memoranda provide references for the conduct of archaeology. As NPS has emphasized it is also important to know where we are going. The establishment of management priorities for archaeological research, and for the recovery, preservation, and curation of archaeological material is a vital component of the coordination of federal archaeology and of the effort to focus resources on archaeological activities rather than the management of those activities.

The establishment of priorities is a difficult scientific, as well as political, problem. The Society for American Archaeology is actively promoting efforts to address the various dimensions of priorities problem. For example, in order to address the regulatory dimension, on February 1 -

3 of this year, representatives from the Society for American Archaeology met in Reno with cultural resource personnel from the Bureau of Land Management (BLM) and the U.S. Forest Service at the invitation of the BLM. The purpose of this meeting was twofold:

1) to discuss the formation of a study relating to the proper applicability of predictive modelling in cultural resources management, and

2) to explore the development of a series of regional conferences to address issues relating to the conduct of archaeological work mandated by Federal legislation.

The Reno conference provided an excellent opportunity for agency personnel and archaeologists to discuss issues, mutual problems, and to lay the groundwork for attempts at cooperative solutions. The Society for American Archaeology has also engaged in similar discussions with representatives of private industries. Such efforts are so important, that the Society will be working with archaeologists from universities, Federal Agencies, contracting firms, State Historic Preservation Offices, and private industry in 9 regions across the U.S to hold broadbased regional conferences.

We mention the Reno conference and its regional spin-offs as it is one of the most recent examples of cooperation between the Department of Interior and archaeologists. Numerous other examples occur on a daily basis in conversations between Department of Interior personnel and Society for American Archaeology officials and members.

It is important to recognize, however, that such efforts cannot supplant the work of the Federal agencies. In the short-term, as well as the long-term, the discharge of agency responsibilities under Federal archaeology legislation requires a blend of Federally, professionally, and privately funded activities.

We believe the time has come for Interior to fund a National Research Council (NRC) study on archaeological priorities and cost-efficient research in order to address the scientific dimension of the priorities problem. There is strong support for such a study in the scientific community. In 1982, the Ad Hoc Planning Meeting on American Archaeology met under the auspices of the Commission on Behavioral and Social Sciences and Education of NRC. Since that meeting the Commission and the NRC have strongly endorsed a study on the current state of research and problem areas in American archaeology.

In light of recommendations by participants in that meeting and subsequent communication between NPS and NRC, we suggest the following areas for a two-year NRC study:

1) synthesizing the results of existing work with the aim of developing new theoretical perspectives and hypotheses to guide future research so that it is not redundant and is of benefit to the scientific community and the general public;

2) developing significant goals and national priorities for Federal archaeological programs in the U.S. and proposed methods for carrying out the necessary work;

3) developing more effective dissemination mechanisms to the scientific community and general public for archaeological research and cultural resource management programs;

4) developing methods for assessing the applicability of predictive models and sampling strategies and for evaluating the results of archaeological research;

5) developing methods for identifying archaeological properties which require little or no research beyond recording;

6) evaluating curational practices and retention/disposition strategies for archaeological collections; and

7) developing methods for improving coordination between archaeology and research in related disciplines.

Funding of $300,000 over two years would enable the NRC to conduct such a study. These funds would cover NRC staff and travel costs for members of the study panel. The professional archaeologists who would serve on such a panel would not expect remuneration. We urge you to appropriate additional funds for NPS to be expended over two years for this study.

Nowhere is the need to carry projects through to completion more clearly demonstrated than in the National Landmarks Program. National Historic Landmarks are properties which illustrate significant aspects of American history and are afforded protection under the National Historic Preservation Act of 1966 and other legislation. These properties have been determined to be vital national resources.

Under Section 8 of the General Authorities Act of 1976, the Secretary of the Interior is required to monitor the status of National Landmarks and report annually on those that are seriously damaged or threatened. All too often, the report is not related to any activity which will mitigate deterioration and damage or increase protection for these irreplaceable resources.

It is a waste of money to operate the National Landmark designation procedures, to prepare reports, and then deny Landmarks adequate support. Among the sites listed in the most recent Section 8 Report are five sites in Illinois (Cahokia Mounds, Clover Lawn, Illinois and Michigan Canal, Vachel Lindsay House, Old Kaskaskia Village, and Unity Temple), three sites in Pennsylvania (Eastern State Penitentiary, Fairmount Waterworks, and Fort Mifflin), three sites in Texas (Landergrin Mesa, Lubbock Lake Site, and Resacade le ~~Palma~~ Battlefield), three sites in Ohio (Fort Ancient. Hopeton Earthworks. and Plum Street Temple), and Brook Farm in Massachusetts.

While all of these sites are not archaeological sites, as scientists and citizens, we are distressed to see the intent of the National Landmark Program circumvented through neglect. We urge the Committee to appropriate an additional $200,000 for repair and protection of National Landmarks.

Mr. Chairman and Members of the Committee, the Society recognizes the progress the National Park Service is making towards implementing scientifically and fiscally responsible cultural resources management over Federal archaeological programs. In general we support the Department's budget request for archaeological programs. Our specific recommendations could be easily implemented through a modest add-on for research with significant methodological consequences for Memoranda and for repair and protection of National Landmarks. Minor redirecting of funds within the Department of Interior budget request would enable completion of the data base and conduct of the NRC study on archaeological priorities and problems.

We are at a crossroads during this election year. If the professional community and the Congress continue to press for better management of Federal archaeology, progress will continue. If we fail to provide the guidance and funding that progress requires we shall have only ourselves to blame if our national patrimony is neglected.

STATEMENT OF STEPHEN C. SMITH, ASSOCIATE DEAN, SCHOOL OF NATURAL RESOURCES, UNIVERSITY OF WISCONSIN-MADISON

The Department of Interior, Fish and Wildlife Service, Budget of the Administration for the Cooperative Fish and Wildlife Research Units does not include enough money to maintain the program. There is broad agreement within Wisconsin and nationally that the Unit budget should contain between $4,700,000 to 5,000,000 to be a viable program and the intent of Congress should be expressed again that 90 to 100 FTE's are needed to keep the program at current levels. Further, last year Congress expressed the intent that Fish and Wildlife Units could not be combined without the consent of all cooperating parties--the University, the Department of Natural Resources, the Fish and Wildlife Service, and the Wildlife Management Institute--including the Congressional delegation from the State. Recall each unit was created by a special Act of Congress, therefore, the need for Congressional consent. This Congressional intent should be restated this year to avoid the FWS moving rapidly to "force" consolidation.

As indicated in previous years, the Wildlife Unit has been exceptionally effective. It is only a one-man unit and badly needs a second person. This unit has taken the leadership in establishing a scientific basis for managing the goose population within Wisconsin as well as the whole flyway from Canada to Southern Illinois and Mississippi. This line of research is probably one of the best known among the other active projects.

The Unit's research agenda is not set by our faculty but jointly at the annual meetings of cooperators. The work plan is agreed to by concensus and does not represent a one-sided interest. Also, recall that the University and the Department of Natural Resources help fund the cooperative research program. This is an excellent example of real cooperative funding, state and Federal interests and capabilities. Its continuation is to Wisconsin's benefit.

One problem has been that the Office of Management and Budget has cut available FTE's to 57. Thus, it is important for Congress to express an interest in maintaining the 90 to 100 FTE's. To maintain the minimum capability to underpin fish and wildlife policy with science, a program of this size is essential to perform effective research.

Your interest in these units is appreciated.

STATEMENT OF JOHN H. DAVIS, EXECUTIVE DIRECTOR, NATIONAL RECREATION AND PARK ASSOCIATION

The National Recreation and Park Association appreciates the opportunity to express its views and recommendations on the proposed fiscal 1985 budget for selected programs of the Interior Department and related agencies.

We recommend the following:

- At least $125 million for State and local government participation in the Land and Water Conservation Fund;

- At least $25 million for the Urban Park and Recreation Recovery Program, directed to innovative grants; an appropriation of $40-50 million could allow continuation of the rehabilitation grants program;

- Amounts necessary from LWCF to complete or continue resource protection strategies for selected Federal park, forest, refuge and public land areas;

- $1.5 million to support a national commission inquiry on long-term recreation and park needs;

- Amounts necessary to effectively administer the above grant-in-aid programs, including the rejection of a proposed deferral and reprogramming of LWCF contingency reserve funds for administration purposes; and

- Amounts necessary to participate effectively in authorized interagency and intergovernmental planning, coordination and technical service functions, with special focus on the staff requirements for excess and surplus Federal real property functions.

We disagree with the Administration's continuing proposals to withdraw from any effective Federal participation in policy coordination, technical aid, planning or other intergovernmental functions in the area of parks and recreation. Rather, several factors strongly suggest that a Federal-State-Local strategy to meet recreation needs should be pursued. These include:

- State and local park systems absorb recreation user pressure that, if not directed to non-Federal parks, would exert additional pressure, and cost, on Federal recreation resources;

- Non-Federal recreation resources meet a variety of interstate and regional demands. State and local recreation resources frequently serve a very mobile, non-resident population.

- State and local governments have demonstrated a continuing commitment to participate in recreation grant programs, despite serious program disruptions in recent fiscal years and fiscal stress involving all levels of government;

- Administration observations that the State (and local governments) have sufficient unutilized LWCF and UPARR funds available for fiscal 1985 are not factual.

- The LWCF grant program provides an effective means to reinvest a small portion of revenues from a depleting natural resource;

- Recreation and park systems plan an increasingly important role in American society. This role includes substantial contributions to the economy and to social and environmental values. In many instances opportunities to protect specific sites must be pursued in a timely manner.

Observations supporting our specific recommendations follow.

The Land and Water Conservation Fund:

NRPA joins with several other organizations in recommending a continuing intergovernmental approach to natural resource protection and provision of recreation opportunities through the Land and Water Conservation Fund. Our focus in this cooperative effort has been to describe program needs of state and local governments. In February NRPA completed a telephone survey of 50 state LWCF grant administration officials to determine the estimated level of requests for LWCF state assistance in fiscal 1985. Collectively, state officials estimate that fiscal 1985 assistance requests will total $366.5 million. A state-by-state report is attached.

Our survey revealed other aspects of the State assistance program -- some of which have a bearing on the Subcommittee's understanding of the present program.

o The states collectively anticipate no serious problems in effectively utilizing fiscal 1984 funds which were legally apportioned to them on December 12, 1983. In several states all available funds have already been obligated. The bulk of any presently unobligated or uncommitted fiscal 1984 funds are centered in fifteen or fewer states.

o The majority of fiscal 1984 projects being submitted are development rather than acquisition projects. This reflects a reaction to the smaller amounts of money that have been apportioned for state asistance from LWCF in recent years. State recreation policy priorities have, from necessity, changed to emphasize development of smaller scale basic facilities and the phasing of projects rather than acquisition and major development of new parks. Further, the continuing increase of recreation demands on local and regional recreation resources has encouraged the accelerated development of accessible sites.

o The estimated $366.5 million in demand for state assistance from the Land and Water Conservation Fund in fiscal 1985 is a conservative estimate, gaining additional significance in view of the fact that many states have placed funding ceilings on local agency requests. Additionally, desirable projects exist which are not represented in these estimated need figures.

Our recommended minimum appropriation would be expected to support between 650 and 700 state, regional and local projects nationwide. The specific project needs of Federal land systems are noted in a separate report prepared by severl organizations and previously made available to you.

The Urban Park and Recreation Recovery Program

The Urban Park and Recreation Recovery Program was authorized by Congress in 1978 as a $750 million component of a larger urban revitalization program. Approximately $540 million of the authorized total remains unappropriated.

Ironically, UPARR was the only part of a larger urban package that ultimately became law. Today, the Congress has before it numerous bills that recognize what the UPARR program has been specifically addressing -- that this nation increasing needs to restore its aging physical facilities. Many of the UPARR investments have restored major older parks, including those planned by the firm of Frederick Law Olmsted, Sr. Other grants have encouraged and leveraged private sector investments several times larger than the public funds. Employment opportunities are a continuing benefit.

The Urban Park and Recreation Recovery Program was intended to complement the LWCF grant program in several ways:

o UPARR funds no land acquisition, emphasizes rehabilitation of existing, older parks and recreation facilities, and may be used for refurbishment of both outdoor areas and enclosed facilities.

o UPARR criteria favor older, larger urgan areas over suburban and urban fringe areas. Within the limits imposed by funding availability, size is limited only by competition with similar cities with similar projects. The award of UPARR grants through national competition imposes quality standards which preclude distribution of grants on purely geographic grounds (e.g. wide distribution of funds regardless of relative need and merit of projects) and allows funding of larger projects. These factors make UPARR grants more commensurate with the needs of larger cities that have already made huge capital investments over the last 50-100 years.

o UPARR encourages systematic stewardship of existing resources through understanding of the relationships between physical facilities, recreation services, and recreation management, rather than project-by-project expansion. An innovative grants program would focus on these potentials.

o Both LWCF and UPARR require long term non-Federal commitments to operation and maintenance of assisted facilities, but UPARR, because it aims to help fiscally-troubled urban areas, places greater emphasis on how these commitments can be met.

o The urban program's support for systemwide management improvements and better local definitions of funding priorities provides localities with new opportunities to sustain recreation commitments at "steady-state" budget levels through cost-savings in operational programs.

Our "mimimum" UPARR recommendation of $25 million should, we believe, be directed to the innovative grants portion of the program to meet the following objectives:

o to stimlate local implementation and cost effective approaches to recreation in local park systems;

o to provide, in an era of contraints, excellent models of ways to improve efficiency of park management and the delivery of recreation services at minimal costs; and

o to protect existing federal investments in local park recovery efforts.

An appropriation in the range of $40-50 million could justify a competitive round of applications for the Rehabilitation grants portion of the program. We urge the Subcommittee to give this proposal its serious consideration.

Proposed National Commission on Long-Term Recreation and Parks Issues

Two bills authorizing the creation of a national commission to address the nation's long-term recreation and park needs have been introduced. S.1090 was approved by the Senate on November 18, 1983. House hearings on S.1090 and H.R.2837 are scheduled to begin on April 12. Each bill would authorize $1.5 million for the 18-month inquiry. The objectives of the proposed commisison, a more complete legislative history of the proposal, and a review of the actions attributable to a similar inquiry in 1958-1962 are attached.

Program Adinistration and Technical Needs

The Subcommittee is urged to be especially mindful of several aspects of the National Park Service budget which receive little public visibility but which support critical aspects of recreation resource protection and provision. The NPS grants administration unit (now handling both LWCF and UPARR) is, in our view, one of the most efficient and effective aspects of government that we have observed. Continued high performance is required to sustain the active and efficient involvement of state and local recreation and park agencies in both UPARR and LWCF programs. We encourage full support for these functions.

Other aspects of the NPS technical program require special note. In our view the external technical assistance functions authorized by P.L.88-29 and several other statutes have become virtually non-existant. The effect of this situation can be observed in many ways: preparation of a nationwide outdoor recreation plan has ceased; national and trail system and wild and scenic river system activities are virtually in perceptible; excess and surplus property functions, including active involvement in Department of Defense-Interior review activities required by P.L.98-115 (Military Construction Authorization Act) are often delayed or simply not performed. We want to emphasize that this is not a negative reflection on existing NPS staff. It is a strong suggestion that the magnitude of other NPS system management and development functions have simply diverted attention from lesser known but legally authorized and criticallyy important functions.

I hope these observations and recommendations are useful to the Subcommittee. Barry Tindall, our director of Public Affairs will be pleased to discuss these matters further.

LAND AND WATER CONSERVATION FUND
ESTIMATED STATE NEEDS: FISCAL YEAR 1985

(in millions of dollars)

Alabama	7.0	Montana	2.0
Alaska	1.2	Nebraska	1.8
Arizona	4.0	Nevada	3.0
Arkansas	5.0	New Hampshire	1.2
California	20.0	New Jersey	10.0
Colorado	15.0	New Mexico	5.0
Connecticut	2.0	New York	53.2
Delaware	1.6	North Carolina	2.2
Florida	5.0	North Dakota	3.5
Georgia	11.0	Ohio	21.5
Hawaii	.7	Oklahoma	1.7
Idaho	3.0	Oregon	2.0
Illinois	18.0	Pennsylvania	28.0
Indiana	6.0	Rhode Island	1.4
Iowa	3.0	South Carolina	3.2
Kansas	3.3	South Dakota	1.2
Kentucky	1.5	Tennessee	6.0
Louisiana	16.0	Texas	14.0
Maine	1.0	Utah	4.5
Maryland	10.0	Vermont	1.8
Massachusetts	10.3	Virginia	4.0
Michigan	13.0	Washington	7.5
Minnesota	9.0	West Virginia	4.0
Mississippi	4.0	Wisconsin	5.0
Missouri	4.0	Wyoming	4.2
		Total Estimated Request	$366.5 million

Statement of Tim Gallagher, Senior Administrative Assistant, Montana

These comments are directed at the Office of Surface Mining (OSM), Abandoned Mine Land Program, FY '85 appropriation and recent problems we have encountered with the program.

Funding

On February 22, 1983, Montana submitted a construction grant application for $3,989,020. On June 7, 1983, this grant was approved for $3,289.020, a $700,000 shortfall from the requested amount. We were told that there wasn't enough money to satisfy our request.

The shortfall indicates poor planning by OSM in allocating funds to the states. I hope our FY 85 construction and administrative grants for approximately $7.3 million will be fully funded. While the $700,000 shortfall caused problems, of a more serious nature was the fact that one coal project, the Wilman site, was deferred from funding because the OSM staff in Washington, D.C. did not like our conceptual plan for reclamation. This Washington office would not approve the project until they viewed detailed reclamation specifications and has withheld the projects final funding. It is of very serious concern when Washington level bureaucrats not trained in field construction procedures are controlling the smallest technical detail of every construction project. I'm sure this procedure was not envisioned during passage of the act and this type of grant review on the Washington level must stop. In this case, the OSM field office had already signed off on the project and the reclamation concept plan.

Concerning this issue, I would ask the committee to closely review OSM's Washington level personnel cost during this budget appropriation. With the OSM field offices handling all our grant and oversight functions, I see no reason to support a similar administrative staff in Washington, D.C. The field offices understand the state's specific situation much better than the Washington office. Dual review of grants and program functions at both the field office and Washington level are duplicative, counter-productive and contrary to good government.

NonCoal

Of continuing concern to Montana is OSM's deliberate and concerted effort to block funding of noncoal projects in Montana and nationwide. Three recent documents exemplify OSM's position:

1. April 4, 1983, memo from Bill Schmidt which "defines," "noncoal hazard" in a most stringent manner. I find it interesting that a memo apparently has the affect of over turning public law.

2. OSM's recent rule change for noncoal #875. I also find it interesting that a rule can reverse the law.

3. In early FY 1984, OSM told us not to reapply for the Colorado Tailings while at the same time telling Senator Baucus' office that Montana hadn't applied for the project yet. Such deception and the January 24, 1984, memo by Solicitor Baynard points out the lengths OSM will go to hinder

funding of noncoal projects. Montana asks the committee's help in controlling OSM's dubious reinterpretation of Section 409.

NALI

The continuing discussion over the National Inventory and allocation of discretionary funds looms as a big money issue for future state programs. The National Abandoned Mine Lands Inventory (NALI) is continually promoted by OSM in spite of resistance by every state. All states agree that the inventory was and continues to be inaccurate, incomplete and illusionary. Furthermore, it is not being updated. Montana's December 7, 1982, submittal of 37 new sites has not yet been entered into the inventory and recent update attempts have been put on hold.

The facts speak for themselves. Though the recent national inventory table shows Montana with $530,000 worth of priority number 1 and 2 projects, emergency and priority number 1 projects conducted by OSM in Montana have already exceeded that amount.

Allocation

In spite of acknowledged serious deficiencies OSM has already proposed discretionary fund allocation schemes which don't recognize Montana's real and serious coal mining problems. The proposed allocation would give Montana a less than 1% return on discretionary funds, the lowest of any state. This allocation based on an admittedly seriously flawed NALI document is unacceptable.

Montana would suggest that the phasing out of the RAMP program is the perfect opportunity to allocate discretionary money. Montana is one of the few states not to receive additional RAMP money while administering several very expensive RAMP projects. Returning a 20% discretionary share of the RAMP set aside to Montana would be equitable and would eliminate continued arguments over NALI and allocation.

We request that the committee direct OSM to allocate discretionary funds on a basis other than NALI and to eliminate the use of NALI, in its present form.

Thank you for your time and we are anxious to answer any questions.

STATEMENT OF MARY HELEN DEER SMITH, R.N., EXECUTIVE DIRECTOR, CENTRAL OKLAHOMA AMERICAN INDIAN HEALTH COUNCIL, INC., OKLAHOMA CITY, OKLA.

Mr. Chairman, Members of the committee, this testimony is presented in behalf of the Indian community of the Greater Oklahoma City Area and the Board of Directors of the Central Oklahoma American Indian Health Council, Inc. (The OKC Indian Clinic).

Urban Indian Health Programs have reduced costly use of inpatient hospital services and emergency outpatient services. The Urban Projects have also significantly contributed to real improvements in the health status of American Indians particularly in the areas of infant mortality, maternal and child health, family planning, nutrition, dental and mental health. This has been accomplished despite severe cutbacks in federal funding, which has resulted in the reduction of staff at the programs as well as a reduction of services or total phase out of services, i.e. outreach programs. In Oklahoma City, in 1982, we had a staff of 22. Facing the reductions of FY-83, we cut the staff to 15, the present staff level. The present staff all serve in various capacities, beyond the job they were hired for.

Once again, the administration proposed to eliminate funding for the urban projects "because non-reservation Indians will be eligible for health care under various alternative programs, supported by Federal health block grants, and other State and local funding agencies." In Oklahoma City, we have 10,200 charts and in 1983 we had approximately 7,000 patient visits in our medical and dental clinics. Shawnee Indian Health Center is an Indian Health Service facility 45 miles East of OKC. They have a waiting list three to four months long for appointments to their general clinic. Oklahoma Memorial Hospital Clinics have a three to four month waiting list for their various clinics. The State Health Department does not have a general out-patient clinic. The other community health centers in the greater Oklahoma City area have a geographic boundary that does not include the areas with the greatest concentration of Indians. Yes, there are resources available, but they cannot possibly absorb the volume of patients that our clinic would generate. The community clinics have faced cutbacks in their spending also. The OKC Indian Clinic has established a network with the other clinics so that our patients may take advantage of the services offered by the community clinics and not available at our clinic. But they could not absorb our whole patient load for 100% services. And once again, the Indian community would face the same conditions found in 1974 when the first servey was taken to assess the medical needs. If alternate resources were available, the urban projects would never have been started in the first place. The urban projects were a response to a desperate need voiced by the Indian people living in the cities. The need is still there

As American citizens, we recognize the federal deficit. However, American Indian people have been the victims of extreme deficits in health care. In order to be a productive and contributing person in today's society, one must first have good health.

Preventative Health is the answer. Yet with limited resources we find that too many times we are only meeting the health crisis. Therefore, we recommend that Congress appropriate at least $12 million for FY-85.

This recommended appropriation level allows for:

1. $1.3 million to permit an upgrading of health care activity levels in existing programs based on an increasing demand for services which currently cannot be met.
2. $.25 million to conduct needs assessment and feasibility studies in 5-10 urban communities that have substantial Indian populations with unmet health care needs.
3. a 12.8% increase for current program operations based on the average annual increase in the National Health Expenditures Index(HCFA)
4. $.3 million to conduct an Urban Family and Mental Health Promotion Initiative.

Indian people leave the reservations to find a better way of life, to find better paying jobs. Unfortunately, poor health and poor health habits follow them into the cities. And they are still Indian people. The Indian Health Care Improvement Act was established to "provide the highest possible health status to Indians...". The staff and the administration of the Oklahoma City Indian Clinic have committed themselves to that goal. We ask for your renewed committment to that goal through the appropriation of $12 million for the urban Indian health program.

STATEMENT OF ROLEEN HARGROVE, VICE CHAIRWOMAN, PUYALLUP TRIBAL COUNCIL, PUYALLUP TRIBE OF INDIANS, TACOMA, WASH.

Mr. Chairman, Committee Members. My Name is Roleen Hargrove. I am Vice-Chairwoman of the Puyallup Tribal Council representing the Puyallup Tribe of Indians, a Medicine Creek Treaty Nation located in Tacoma, Washington.

I am here to introduce a proposal for a supplemental appropriations for the design and construction of a comprehensive health care and human services facility located at the Puyallup Reservation for use by the Puyallup Tribe, the Indian Community of Pierce County and the surrounding areas with a registered client population which exceeds 9,000 individuals

In 1976 the Puyallup Tribe began to operate the first "self-determination" Indian Clinic under 638 legislation. Many of you supported us in that land-mark venture and it is a pleasure to report to you our success story.

What began as a minimum startup project aimed at meeting a vast unmet need for health care in our area has emerged to become a primary center for health and human services for the Indian population of Pierce County and beyond. The demand and utilization of our services has far exceeded our original expectations. In 1980 the health and human service programs were consolidated under the administration of the Puyallup Tribal Health Authority and has been organized to resemble a comprehensive public health department specifically attuned to the needs and problems which face the Indian population. From a small ambulatory clinic the Health Authority has grown to comprise ten major programs employing approximately 60 professionals, paraprofessionals and support staff. The individual departments of the Health Authority now include the medical clinic, pharmacy, dental clinic, alcohol and drug treatment center, mental health center, childrens services program, an integrated nutrition program, Women Infant and children program (WIC), an elders program and a Community Health Outreach (CHR) program. Unlike most other programs we have developed a broad based team network working towards providing a comprehensive approach to patient care and preventive services. The task has been ominous. We are now operating under 16 separate contracts utilizing as many available resources from county, state and federal funding sources to assist the Indian Community.

Over the past seven years the demand and subsequent provison of health, health related and other human services provided by the Puyallup Tribe of Indians to the Indian population of Pierce County and surrounding area has grown at a remarkable and alarming rate. The quality and comprehensiveness of the Puyallup Tribal Health Authority programs has attracted clients and patients from throughout Washington. Our agency has, over time, cautiously taken on a more regional role in some aspects of health realted services. We have been able to do this by demonstrating a high quality of service provision and by cooperatively working with federal, state and county agencies who have entrusted us to provide services in a more cost effective and culturally relevant fashion than could otherwise be provided.

Even though we have had to adhere to a rather strict registration and admission policy for individual qualification for our services, in other words legitimately limit our services, our rate of new registrations for qualified Indian individuals and families has and continues to escalate. We presently have over 9,000 individuals registered for services with the Health Authority. The rate of new admissions is increasing. In 1982 we registered 588 new clients, in 1983 we registered 674 new clients and in the first quarter of FY 1985 we anticipate having over 10,000 individuals cleared for services. United States Census information shows a 4% increase compounded annually in our county Indian population base from 1970 to 1980. Our high rate of physical plant utilization and demand for services indicate clearly that the Indian population is utilizing and showing a preference for our Indian operated programs. In fact, if it were not for our services many individuals would not receive care at all.

Even though we continually work toward upgrading our programs and increase our provision of services we have surpassed the critical point for requiring new, more efficient, and expanded facilities. At present we operate ten different programs out of six different, inadequate, temporary facilities which are geographically dispersed.

Over the past seven years six different reviews by outside agencies have all addressed the question of our facility needs. Three of these reviews were conducted by the Indian Health Service, two by private consulting firms and one by the Medical Society of Pierce County. Because of the tremendous need, Indian Health Service has placed the Puyallup Tribal Health Authority in the nation-wide, top ten list for new facility construction.

In a recent outside quality assurance review of our ambulatory medical clinic conducted by the Medical Society of Pierce County, the only major criticism was our inadequate facility which restricts patient flow, confidentiality and provides a hazardous working environment for our staff. This facility is a modular unit intended to be a temporary facility with an optimum life expectency of five years. It has been occupied for over seven years and was inadequate from the day the doors opened. Preliminary estimates by an outside space utilization consulting firm indicates that we need to triple the existing clinic space and double the existing pharmacy space (presently housed in the same building) to meet present and short term future needs.

Our dental clinic presently has an eight month waiting list for restorative dental care excluding emergencies. This waiting list persists even though we operate a ten hour per day clinic. This present waiting time is unacceptable by any public health standard and is chiefly promulgated by inadequate and poorly designed space. Preliminary professional estimates indicate that we need to double our existing dental space to meet present and short term future needs.

As identified by outside reviews and our own administrative and clinical staff, serious communication difficulties could be resolved if all health related activities were housed in the same building with adequate space. Separation of health and health related services by placement in different buildings, widely, dispersed, is definitely not condusive to creating a coordinated comprehensive health service. These limitations have created service delays and inconveniences to the "ill" patient causing us to lose many of them in the shuffle. The physical separation of facilities results in poor sharing of all the necessary information for health care in many instances.

These are only a few examples of critical space and consolidation requirements. The inadequate facilities available for our programs severly restrict our abilities in providing needed services. The fragmentation of services and staff does not presently lend itself to the proficient or efficient administration or delivery of care. In addition, our maintenance and major building repair costs continue to escalate diverting funds for direct service provision.

With this testimony we are submitting a proposal to you which outlines in more depth the need and justification for facility construction appropriations to the Puyallup Tribal Health Authority. In this proposal we have documented the need, given justification for out site being given priority consideration for fiscal year 1985 funding, and have delineated a realistic cost proposal based on square footage requirements, equipment costs and the utilization of existing staff. We also demonstrate in the proposal that we have broad based community support for our site being granted a new facility.

We know that we require 41,760 sqaure feet of new and remodeled space for a major consolidated facility. In the final analysis, I have little doubt that your conclusion will be as ours--to meeting present and future health and human services needs of this growing Indian population, new facilities are imminently required. The need existed in 1977. The need existed in 1980. The need existed in 1983. The need exists today. With your support we hope that need will be met in 1985.

STATEMENT OF ROBERT PHILBRICK, CHAIRMAN, CROW CREEK SIOUX TRIBE, FORT THOMPSON, S. DAK.

The Crow Creek Reservation is located on the eastern bank of the Missouri River in central South Dakota. The service area population is approximately 2,400. One thousand five hundred (1,500) of this number live in the Fort Thompson community.

Recent household surveys show that forty percent (40%) of the people still live in substandard housing.

The total revenue base for the Reservation is slightly less than five million dollars ($5,000,000). Per capita income averages $1,473.00 per year and the unemployment rate for the Reservation is 61.1%.

Health services should be markedly improved with the construction of a 19,284 square foot health center at Fort Thompson. Funds were appropriated in FY 1984 and the Tribe is preparing a contract proposal to plan and design the facility under the provisions of PL 93-638. The staffing summary of the Program Information Document, dated January 1984, shows the addition of thirty-five (35) positions. These positions are necessary for the implementation of the program connected with the new facility.

There is a position emphasis on Community Health with the addition of Community Health Nurses, a social worker, mental health consultant, and a nutritionist. These positions are also valuable to the Crow Creek Alcoholism Program which operates the only on-reservation treatment center in South Dakota. It is anticipated the health center will have an outpatient workload of 11,500 by the year 1989.

Fort Thompson is located on the shores of Lake Sharpe, formed by the dams on the Missouri River. This location assures an adequate supply of water but water treatment facilities are far from adequate. When the Fort Thompson community was moved to its present location in 1960 the Corps of Engineers installed a water treatment plant with a capacity of 300 gallons per minute. In the ensuing twenty plus years the plant has deteriorated to the point where it is barely operable. The Crow Creek Tribe has given the Indian Health Service $113,000 in HUD Community Development Block Grant funds to repair the water treatment plant so it can operate at a minimal level. While Indian Health Service engineers plans are carefully defined for the use of these funds, the repairs made will be just a "band aid" on a large wound and the water treatment plant will not be operable within a year or two at the most.

Fort Thompson's sewer system serves only a portion of the community. A recent expansion of the sewage lagoon from six to eighteen acres allows for the installation of a complete sewage system. This will involve an additional thirty-two (32) homes.

Primary concern, however, is for the availability of a treated water supply for the members of the community. A 1983 estimate by Indian Health Service engineers placed the cost of a new water treatment plant at $619,000. With the low increase in the inflation rate during the past year this figure is probably still an acceptable estimate.

The Crow Creek Tribe has taken over the entire school complex at Stephan Mission. This consists of the Crow Creek High School with associated dormitories and a dozen homes for faculty members. The school complex presently has a water system consisting of an artesian well with a pump, a 50,000 gallon watersphere, and iron removal/softening units. The entire system is dilapidated and in need of extensive repairs. With the construction of a new water treatment station at Fort Thompson, quality treated water could be furnished to the school complex by means of a six-inch diameter pipeline of approximately eleven (11) miles in length. The cost of this project, including the installation of new water mains at the school site would be $385,000. This again is contingent upon the availability of quality water.

Stephan Mission would serve as a first step to the establishment of a Rural Water District on the Reservation. Homes on the Reservation are scattered and could be well served by such a system. Well water is of poor quality, very hard, with a high iron content.

Community Health Representative Program.

The Crow Creek Community Health Representative (CHR) program presently consists of a staff of eight (8) CHR's. These Tribal employees are working to upgrade the health care delivery system and ultimately the health status of each individual by "outreach services". Their goal is to "help people to help themselves". The CHR Program has been an important adjunct to the health programs of the Crow Creek Reservation and we desire the continuation and expansion of this program.

The Crow Creek Tribe wishes to thank the Committee for the interest shown in their health programs and to assure the Committee that health dollars at Crow Creek are utilized to the fullest.

STATEMENT OF JOHN SHENDO, JR., CHAIRMAN, SOUTHWESTERN INDIAN POLYTECHNIC INSTITUTE, BOARD OF REGENTS, ALBUQUERQUE, N. MEX.

My name is John Shendo, Jr., Chairman, Southwestern Indian Polytechnic Institute (SIPI) Board of Regents in Albuquerque, New Mexico. I am making this statement on behalf of the Board of Regents and the student body of SIPI, to urge you to provide adequate funding for the school at $2.99 million.

SIPI was established by Congress in the late 1960's, as a place where reservation Indians could receive high quality vocational training in selected high-demand technical fields. Congress realized then that the lack of technical job skills was one of the most severe problems hampering economic development on the nation's Indian reservations, and that to be truly effective for reservation Indians, training in those skills had to be provided in a setting where the special needs and problems of those students could be given the particularized attention they require. The opening of SIPI in 1971, at its beautiful, modern, $30 million campus along the Rio Grande outside of Albuquerque, was thus a major accomplishment in the battle against poverty and despair among reservation Indians.

In the past 12 years that SIPI has been open, much has been achieved. More than 475 Indian young people have completed courses leading to certificates in 36 different vocational programs, in ten (10) program areas. Nearly 70 percent of all of those who complete their courses have found immediate employment, and in five (5) of SIPI's program areas the cumulative placement rate exceeds 80 percent. It should be recalled that the vast majority of these students come from poverty-level backgrounds, and most speak English as a second language. Many require remedial Math and English as part of their training.

Those figures demonstrate SIPI's historical success in achieving its basic mission ....to produce highly-trained Indian young people who can move immediately into productive, good-paying jobs, and can eventually play a significant role in reservation economic development. These are valuable natural resources that we are turning out at SIPI, trained technicians who will serve their tribes and the nation for years to come, and who will repay the nation's investment in their education many times over. But SIPI has done more than just educate these students. It has become, in the relatively brief interval of its existence, a nationally renowned Indian institution, and its record demonstrates clear and impressive progress in raising academic standards and management efficiency while actually lowering costs.

SIPI's enrollment has steadily increased, from approximately 250-350 during most of the 1970's, to a record high of 603 in the current semester. These students, represent 70 different Indian tribes from across the country, an indication of SIPI's importance to Indians nationally. As enrollment has gone up, SIPI's budget, and its cost-per-student, have steadily dropped. As recently as 1978, the BIA spent $8,302 to educate each student at SIPI for one year full-time. For 1983, that cost was $4,085, less than half what it was five (5) years ago.

SIPI's staff has declined to approximately two-thirds of the 1976 level, but with improved management, SIPI is still able to provide high-quality training to its record numbers of students despite that decrease. An aggressive energy conservation program at SIPI has resulted in a dramatic 29 percent decrease in total energy consumption by the school bewteen 1975 and 1983. Although due to soaring costs during that period, SIPI's energy costs still went up by 17 percent, our conservation program has actually yielded a savings of nearly $142,000 per year at today's rates.

In short, SIPI is doing its job, and doing it well. It enjoys the unqualified support of the nation's Indian leaders, who look upon the school as one of the most successful educational programs administered by the BIA. However, the Board feels that the school has been under funded for the past couple of years and an increase in the FY 1985 instructional budget to $2.99 million is necessary to prevent reductions in student enrollment, instructional programs and staff. The following are the specific justifications for this budget request:

1. Due to the drastic budget reductions experienced over the years by SIPI, the school has been unable to update and expand its programs through equipment acquisition. Beginning in FY 1978 and continuing through FY 1983, SIPI's budget was reduced from $2,922,600 to $2,260,000, a cut of $622,600.

   A vocational/technical school must continually update its curriculum and equipment in order for its training to be relevant to the needs of business, industry and government.

   In addition, the House Report that accompanied the Interior's Appropriation Bill, directed the BIA to "implement the Task Force recommendations, particularly with regard to upgrading the SIPI curriculum . . . ."

2. This budget would enable SIPI to conduct a summer school, which has not been offered at SIPI in four (4) years. A summer school gives students the opportunity to graduate early, permitting them to more quickly enter the labor market. A summer school also allows for a more efficient utilization of facilities.

3. Due to an increased enrollment of approximately 603 students, additional funding is necessary in order to meet the associated

rising costs. SIPI's enrollment has increased from 326 students in FY 1979 to over 600 students for the 1984 Spring semester.

We thus ask for an appropriation of $2.99 million for the coming fiscal year. A detailed breakdown of that request is attached.

We appreciate your time and attention to our request.

PROPOSED
FY 1985
SOUTHWESTERN INDIAN POLYTECHNIC INSTITUTE
INSTRUCTIONAL BUDGET

A $2.99 million instructional budget is proposed for the Southwestern Indian Polytechnic Institute (SIPI) in FY 1985. A budget of this magnitude is necessary to prevent reductions in student enrollment, instructional programs and staff. The following are the specific justifications for this budget request:

1. Due to the drastic budget reductions experienced over the years by SIPI, the school has been unable to update and expand its programs through equipment acquisition. Beginning in FY 1978 and continuing through FY 1983, SIPI's budget was reduced from $2,922,600 to $2,260,000, a cut of $622,600.

   A vocational/technical school must continually update its curriculum and equipment in order for its training to be relevant to the needs of business, industry and government.

   In addition, the House Report that accompanied the Interior's Appropriation Bill, directed the Bureau of Indian Affairs (BIA) to "implement the Task Force recommendations, particularly with regard to upgrading the SIPI curriculum . . . ."

2. This budget would enable SIPI to conduct a summer school, which has not been offered at SIPI in four (4) years. A summer school gives students the opportunity to graduate early, permitting them to more quickly enter the labor market. A summer school also allows for a more efficient utilization of facilities.

3. Due to an increased enrollment of approximately 600 students, additional funding is necessary in order to meet the associated rising costs. SIPI's enrollment has increased from 326 students in FY 1979 to over 600 students for the 1984 Spring semester.

Attached is a breakdown of the proposed budget.

Due to the dramatic increase in SIPI's enrollment, it is imperative that a new dormitory be built on the campus. Currently, dormitory capacity is 512, with four (4) to a room. The dormitories now house 530 students for the 1984 Spring semester, 18 more than capacity. If SIPI's enrollment is to continue to grow, additional dormitories must be provided.

BUDGET PROPOSAL
FY-1985

3100 Funds - Education
Proposed Allocation: $2,999,000

Budget Breakdown:

Total Salaries:(includes Summer school)	$ 2.195,263	
		$ 2.195,268
Contractual Services:		
Food Service (includes Summer school)	466,640	
Laundry Service	4,000	
Maintenance (typewriters, copy machines, computers)	16,000	
		486,640
Supplies/Materials & Equipment:		
Supplies/Materials	80,000	
Equipment Procurement	200,000	
		280,000
Other Expenditures:		
Printing .	6,000	
Transportation (moving expenses of new employees)	10,000	
		16,000
Travel:		
Government	10,986	
Non-Government (Board of Regents,students)	10,106	
		21,092
	Total Need:	$ 2,999,000

LETTER FROM GORDON DICKIE, SR., MENOMINEE TRIBAL LEGISLATURE, MENOMINEE INDIAN TRIBE OF WISCONSIN

March 16, 1984

The Honorable James McClure
Chairman, Senate Subcommittee
on Interior Appropriations
Dirksen Senate Office Building, Rm. 361
Washington, D.C. 20510

Dear Mr. McClure:

I am writing to apprise you of programs which we are operating under the Indian Child Welfare Act (P.L. 95-608). We have successfully developed over the past four years an Indian child and family services program through which we have been able to provide for the full protection of our children within a legal framework defined by our tribal culture. We are now under this program developing a tribal children's code and also licensing standards for foster care. We understand that the Bureau of Indian Affairs has proposed to cut grants under the Indian Child Welfare Act by one million dollars, from $8,700,000 in F.Y. 1984 to $7,700,000 in F.Y. 1985. We protest this reduction in the budget at a time when our effort to maintain the integrity of Indian family life and keep Menominee Indian children in their own homes is at a critical stage. We ask your help in ensuring that funding for this vital program is not reduced below the level which was available this year.

We would also like to bring to your attention the Group Home which we have established on our reservation to serve Menominee children and their families. This Group Home is nearing self-sufficiency after two years of financial assistance under the Indian Child Welfare Act and has established credibility as an alternate care facility. We have learned with considerable dismay that funding will no longer be available for this program under the Act. This funding should be restored to the Tribe as soon as possible, but especially by next fiscal year. I have attached for the review of you and your staff a description of our Indian Child Welfare Program. As you can see, funding for the program has increased steadily with funding for the program year 1982-1983 at a level of $33,692.00 and for the program year 1983-1984 to be increased to $37.500.00. We shall need at least $49,183.00 to operate our program in F.Y. 1985. I hope we can rely on your support in continuing to ensure that the welfare of Menominee children will continue to be protected.

Sincerely,

Gordon Dickie Sr

Gordon Dickie, Sr.
Menominee Tribal Legislature

STATEMENT OF THE AMERICAN DIABETES ASSOCIATION

This testimony will provide to the Subcommittee on Interior Appropriations the views of the American Diabetes Association with regard to recommended appropriations for FY 1985 to the Model Diabetes Health Care Program, which is administered by the Indian Health Service. The American Diabetes Association is a voluntary health organization dedicated to promotion of the search for a preventative or cure for the disease and to the improvement of the well-being of people with diabetes and their families. Consistent with these objectives, the Association and its nationwide network of affiliates closely monitors all existing programs which are geared towards the treatment and/or prevention of diabetes.

One such initiative is the Model Diabetes Health Care Program, which embodies five model clinics which have been established and operated by the Indian Health Service. The five demonstration projects are located in North Dakota, Oklahoma, Nebraska, Arizona and New Mexico and provide a much needed increase in the availability of diabetes treatment and care for Native Americans. These clinics offer on-site treatment, outreach programs relating to dietary control, preventative techniques, treatment-education, and approaches intended to promote the diagnosis and arrest of the symptoms of the disease.

The ADA concurs with the recommended $500,000 increase in funding for the Model Diabetes Health Care Program which is included in testimony presented to the Subcommittee by James B. Field, M.D., Chairman of the National Diabetes Advisory Board. This modest increase would serve to expand the scope of the model program in three key ways. First, the additional funds would enable the program to develop two additional model clinics. This proposal, which is consistent with the objective of ten sites originally proposed in 1976 by the National Commission on Diabetes, would significantly broaden the geographic reach of diabetes care, since the individual sites serve as headquarters for outreach activities by health professionals as well as for the provision of on-site treatment. At present the model sites are situated solely in the Southwestern states, and any new sites would likely be located in other geographic areas such as the Pacific Northwest.

A second purpose for the recommended funds is the increase of outreach activities emanating from existing sites. The five projects are sorely in need of additional health personnel to assist in the dissemination of information relating to diabetes. This information should be made available to victims of the disease and to health service units seeking to incorporate new approaches into existing programs. Because the symptoms of this disease are slow to develop, patient education beyond the confines of the clinic can be instrumental in forestalling debilitating effects of diabetes through preventative education and care.

Finally, the proposed funding increase would give the model clinics the flexibility to purchase equipment which at present is sorely lacking. Numerous needs can be met in this regard. For example, diabetic patients on the Indian reservations often require laser photocoagulation treatment for proliferative retinopathy, which is a condition that leads to severe visual loss or blindness when left untreated. If a laser photocoagulation machine were available at one or two sites of the model demonstration units, such therapy could be provided on-site. Not only would the availability of this equipment assure preventive treatment prior to the onset of blindness, but the investment would be less expensive than the costs which result from reliance on contractual arrangements with faraway non-IHS providers.

Non insulin-dependant diabetes is highly prevalent in the American Indian population, affecting one-half of the adult population in some tribes. Various characteristics associated with this type of diabetes demonstrate why the disease warrants the special emphasis which is embodied in the Model Diabetes Health Care Program. Because the disease often develops gradually with few discernible symptoms, it is not usually detected in the absence of adequate patient education of the type provided by this program. Once detected, the disease is susceptible to relatively simple methods of treatment which can be readily implemented if proper medical advice is accessible. Finally, if these simple methods of prevention and treatment are not invoked, the disease can ultimately cause major complications - including blindness, lower limb amputations, adverse outcome in pregnancy, and renal failure - which are highly debilitating and often life-threatening. The cost of this program is miniscule in comparison to the annual $10 billion losses which are attributable to disability and premature mortality caused by diabetes.

In summary, for the reaons set forth above, the ADA wholeheartedly supports the National Diabetes Advisory Board's recommendation that the Model Diabetes Health Care Program be earmarked for an appropriation of $1.9 million for FY 1985.

Letter From Bill Sheffield, Governor, State of Alaska

March 7, 1984

The Honorable James McClure
Chairman
Interior Approriations Subcommittee
Dirksen Senate Office Building
Room 1208
Washington, D.C. 20510

Dear Chairman McClure:

I am writing to express my support for increasing the funding for the U.S. Forest Service's State and Private Forestry and Research programs in FY 85. The State and Private Forestry program provides financial and technical assistance in the areas of forest pest management, fire protection, and forest management and utilization. It plays a vital role in helping to develop Alaska's forest industry on state and private lands, where a great deal of economic potential exists.

The Research program helps fund work in the key areas of forest genetics, insects and disease, watersheds, and wildlife habitat. It is especially important to the northern part of the State where forest markets are strong and maturing rapidly.

In recognition of the importance of these kinds of technical assistance, management, fire suppression, and research activities, the State recently established its own Division of Forestry. State funding for the division's work in these areas now exceeds ten million dollars per year, many times the level of federal assistance which we are seeking.

Federal fire protection funding greatly aids the State's fire suppression program, which has rapidly expanded as land ownership in Alaska has stabilized. The State's fire protection responsibilities will increase from 30 million acres in 1982 to 140 million acres in 1985. Although State appropriations cover most of the cost of program, federal funding is a necessary component of our state's fire protection activities.

Federal forest management and utilization funding provides important technical assistance to Alaska's forest industry, especially in developing new forest-related activities in areas such as Alaska's Interior. The existing 124 logging operators and 204 sawmill owners in Alaska are looking for this help from the State, which in turn needs the support that the federal program has previously provided to other states.

In the President's proposed FY 85 budget, funding for the State and Private Forestry Program was reduced from the FY 84 level of $63.2 million to $29.4 million. Grant funding within the program was similarly reduced from $30.2 million to 3.0 million. Research was reduced from its FY 84 level of $109 million to $103 million - $633,000 of this cut is allocated to ongoing work in Anchorage, Juneau, and Fairbanks. In the FY 84, you helped prevent the President's proposed cuts in these programs, and we would appreciate any actions you could take in this regard again.

I appreciate your consideration of our views, and ask that they be included in the committee record. You or your staff may contact us if you have any questions.

Sincerely,

Bill Sheffield

Bill Sheffield
Governor

Statement of Patricia Schrieber, Landscape Designer/Educational Coordinator, Philadelphia Green, the Pennsylvania Horticultural Society, Philadelphia, Pa.

As Landscape Designer/Educational Coordinator for the Pennsylvania Horticultural Society's Philadelphia Green project, I have a strong interest in urban forestry issues. I am concerned about the proposed appropriation for the urban forestry line item in the USDA Forest Service's 1985 budget. In the past, although the funding levels have been minimal, the benefits of the efforts have been significant. I believe that the funding level for urban forestry should be at least restored to its original 1979 level of $3.6 million.

The allotment of these Forest Service funds have provided technical assistance and advice to thousands of communities. These monies have enabled towns and cities to organize volunteer citizen participation in self-help type projects. The public enthusiasm and support for urban forestry projects has resulted in the most efficient use of the monies granted to programs at state or local levels.

Since urban forestry efforts also need data from research done on the urban environment for successful programs, the urban forestry research dollars also need to be restored to their 1979 funding level of about $1.5 million.

It is well documented that the trees in our urban areas greatly improve the quality of life for the residents.

And aside from their aesthetic value, trees also reduce soil erosion, control air and noise pollution, and can decrease energy costs for homes and office buildings.

Thank you for this opportunity to submit a statement for the record.

STATEMENT OF THE SOCIETY OF AMERICAN FORESTERS, BETHESDA, MD.

Mr. Chairman and members of the Subcommittee, this statement is presented on behalf of the Society of American Foresters. The Society is the national organization representing all segments of the forestry profession in the United States, including public and private practitioners, researchers, educators, administrators, and students. SAF was founded in 1900, by Gifford Pinchot, the first Chief of the Forest Service. We are the oldest professional renewable natural resource organization in the nation and are dedicated to the principles of multiple use and sustained yield.

During our history, the Society has commented on selected issues that affect the nations's renewable natural resources. Last year we commented on the proposed FY 1984 USDA Forest Service budget, out of concern for the significant policy changes it contained. We thank those of you who responded to our concerns. However, I appear before you today to again draw attention to proposals that would substantially alter renewable natural resource management policy in the United States.

The President's proposed FY 1985 USDA Forest Service budget varies little from his FY 1984 proposal. In fact, it varies little from the proposed FY 1983 budget. Consistently, the President has sought to implement substantial changes in federal forest management policy through the budget process. We believe that this is inappropriate.

The Forest and Rangeland Renewable Resources Planning Act of 1974 (RPA), as amended, initiated a complex, continuous process of renewable resource assessment and programming. RPA reflects the need for long-term perspectives in planning and executing renewable resource programs. The RPA program was developed by the Forest Service with the assistance of other federal and state natural resource agencies and the public. The 1980 RPA program, ratified by Congress, reflects the best estimate of foresters and other resource management professionals of program and funding needs through 1985.

RPA is intended to help the Forest Service, the President, and Congress determine the level and balance of Forest Service funding required to meet projected public needs for the goods and services provided by the nation's forest and rangeland resources. The five year program is based on a periodic assessment of the condition of the renewable resource base and projected demand for the goods and services provided. RPA is the only comprehensive and regularly chartered and budgeted source of information about public and private forests and rangelands in the United States.

The President's proposed FY 1985 budget for the Forest Service is again inconsistent with RPA funding recommendations, in both the amounts of funding recommended for each program and the balance between programs. While the Society recognizes that the federal deficit must be meliorated, we question the nature and extent of the proposed reductions in Forest Service funding for FY 1985. The rationale for these substantial departures from the RPA benchmark has not been adequate.

According to the 1979 RPA assessment, "Opportunities exist to greatly increase production of renewable resource products of forest and range lands - enough to meet projected demands for nearly all products. Moving forward to meet projected demands...requires substantial investments but these investments promise to be profitable."[1]

However, recent trends in funding for the programs of the USDA Forest Service reflect steadily declining investments in the nation's renewable natural resources. (See Figure 1.) Since 1980, the total Forest Service budget has appeared to remain relatively stable, at approximately $2 billion. But in real terms, the Forest Service budget has declined $620 million since 1980. That is a 29 percent reduction in agency funding in only 5 years!

The 1983 supplement to the RPA assessment, released yesterday, re-emphasizes the need for greater public investments in forestry, "...[M]eeting the projected growth in demands upon renewable resources will require public support--investments in management programs for those resources that are publicly-owned; investments in research; and investments in technical, financial, and educational assistance for those in the private sector who own and manage such a large part of the country's forest and range lands. Without increased public investments, progress in increasing and extending supplies of renewable resources is likely to be limited."[2] Yet the President has proposed a budget that would reduce funding for research 5 percent below the 1984 appropriation, reduce support for state and private forestry programs by 58 percent, and further reduce specific segments of the National Forest System budget.

RESEARCH

Progress in forestry is based upon knowledge gained through research. Strong, integrated, and multi-disciplinary research programs are needed to solve current and future forestry problems.

The total research budget of the Forest Service has decreased $27.4 million - 25 percent - since 1980, considering inflation. As illustrated in Figure 2, the President's proposed FY 1985 budget for Forest Service research is more than 50 percent below the RPA recommended level. Past reductions in funding have already resulted in a great loss of investments in continuing research studies.

Demand for hardwood timber will double by 2030 according to the supplement to the 1979 RPA assessment. Proposed reductions in hardwood research in the FY 1985 budget appear inconsistent with projected increases in demand. In 1983, the northern hardwood research unit at Marquette, Michigan was closed. The Columbia, Missouri and Sewannee, Tennessee research locations are slated for closure in FY 1985. Though some functions would be transferred, these closures would further reduce research efforts in the study of hardwood management and investments in many long term studies would be lost. We urge the restoration of funds to maintain the forestry and wildlife research at Columbia, Missouri as well as a continuance of studies at Sewannee, Tennessee.

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[1] USDA Forest Service, 1981. An Assessment of the Forest and Range Land Situation in the United States. Forest Resource Report No. 22. Washington, DC.

[2] USDA Forest Service, 1983. America's Renewable Resources: A Supplement to the 1979 Assessment of the Forest and Range Land Situation in the United States, Washington, DC.

We support agency efforts to study the effects of acid rain on forest productivity. Preliminary findings of an SAF task force studying this issue indicate that much more needs to be known. Similiarly, we support increases in research on the wildlife habitat values of old-growth forests; critical information that is currently lacking. However, we question the logic of taking funds from other important research units to support these new priorities. The research budget should be adequately funded to recover investments through completion of current projects and additional funds appropriated to address new priorities.

Proposed reductions in forest inventory and analysis research will slow the pace of forest land inventories and lengthen the re-inventory cycle. This may be short-sighted, particularly in light of the state and federal land management planning currently underway. Substantial changes in forestlands can occur over relatively brief periods of time. For example, the 1983 assessment supplement reported that roundwood fuelwood consumption had increased in 1980 to five times that of 1976. Extending the re-inventory cycle to 13 years will hamper the ability of the Forest Service, the state forestry agencies, and the forest products industry to make program adjustments to respond to such changes. De-emphasizing nontimber land values in the inventory process could also prove costly when the impacts of timber management on noncommodity resources are questioned.

Proposed reductions in renewable resources economics research do not appear to be well founded. The $223,000 decrease in FY 1985 would reduce efforts in two particularly important areas - forestry investments in the South and international trade.

Forest recreation research reductions for urban forestry also appear ill-advised. No other federal agency currently supports urban forestry research. Only limited support is provided by the U.S. Fish and Wildlife and the National Park Service for urban wildlife research, yet the limited Forest Service program in Amherst, Massachusetts is slated for closure in FY 1985. Investments in urban forestry research have important implications for a large segment of the American public. The urban forestry research program should be strengthened, not dismantled.

STATE AND PRIVATE FORESTRY

State and private forestry funding has declined $13.4 million since 1980 -- a real decrease of $27 million due to inflation. (See Figure 3.) Proposed FY 1985 funding levels are one-sixth of RPA recommended levels. These significant reductions in program support are unacceptable.

Sixty-one percent of the nation's forestland is privately owned. Fifty-eight percent of the commercial timberland in the United States - 278 million acres - is held by farmers and other private, non-industrial landowners. Private non-industrial forestland produce 47 percent of the nation's roundwood supply and have the greatest economic opportunity for increasing national timber supplies. One-third of the lumber used in home building in 1983 was imported. Private forestlands have the greatest potential for reducing our $12 billion trade deficit in softwood lumber.

Private forestlands are likely to be an increasingly important source of recreation opportunities - especially in the South and East.

For water production, fish and wildlife habitat, and range, the public value of private lands in the United States continues to increase.

The Forest Service State and Private Program is a key element in the protection, management, and utilization of the nation's rural and urban forestlands. If enacted, the President's proposed budget would bring current federal programs to a virtual halt, and significantly hinder opportunities to improve the status of the management of the nation's private, non-industrial forestlands.

The budget ignores recent research findings. A 1982 report prepared by the USDA Statistical Reporting Service described the management practices and reforestation decisions of private forest landowners in the South who had harvested timber during the last ten years.[3] The study resulted from concern for inadequate pine regeneration in the South and fear for future softwood shortages. Eighty percent of the clear or partial cut areas surveyed were not prepared for reforestation. Faith in natural pine regeneration, and lack of information regarding opportunities available through forest management were to blame. On the majority of sites where professional foresters provided assistance, investments in reforestation were made. This and other studies attest to the importance of extending professional forestry assistance to landowners. In 1983 alone, state service foresters provided technical assistance to 136,000 woodland owners on 3.4 million acres. The proposed FY 1985 budget would eliminate grants to the states to support technical assistance to landowners. In addition, cost-sharing for pest management and fire protection on private lands would be terminated, abdicating the federal role in cooperative forestland protection.

Eighty percent of the nation's population lives in urban areas. The Urban and Community Forestry Program provides assistance and technical advice to landowners, developers, and planners who affect the 70 million acres of forestland in urban and community areas.

In 1983, all of the states participated in the urban and community forestry program. Over 3,600 urban areas received assistance. Funding for this program should be restored to at least $3.6 million in FY 1985, to retain the economic, environmental, aesthetic, and educational values which it provides to the nation's urban population.

NATIONAL FOREST SYSTEM

Total National Forest System funding has remained approximately the same, in current dollars, since 1980. However, as illustrated in Figure 4, in constant dollars, total program funding has declined by nearly 20 percent.

Support for minerals area management and timber sales administration and management increased by 40.3 and 16.1 percent, respectively, from 1981 to 1984, in current dollars. Increases in other programs have lagged far behind. Proposed FY 1985 funding for recreation management is $80.4 million, a $5.6 million decrease from FY 1984. Support to wildlife and fish habitat management will be reduced by $1.0 million if the President's FY 1985 budget is enacted. In constant dollars, the wildlife and fish habitat management budget has already decreased 32 percent from FY 1980 to FY 1984. Habitat improvement activities; endangered, threatened, and sensitive species work; and anadromous fish habitat improvements would be largely limited to mitigating timber and minerals management activities in FY 1985. In addition, the proposed FY 1985 budget would further reduce range management and soil and water management programs.

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[3] Fesco, R.S., H.F. Kaiser, J.P. Royer, M. Weidenhauer, 1982. Management Practices and Reforestation Decision for Harvested Southern Pine Lands. USDA Statistical Reporting Service. Staff Report No. AGES821230.

Though the reforestation backlog in the National Forest System is projected to be completed by the end of 1985, timber stand improvement (TSI) needs are projected to increase to about 1.9 million acres. The proposed increase of $37,000 for FY 1985 would allow completion of TSI on only 187,000 acres. Additional funding is needed if the agency is to deal with the growing TSI backlog.

In closing, I want to re-emphasize that there has been a steady and substantial decline in Forest Service funding since 1980. Proposed FY 1985 funding levels would continue this trend, by bringing the agency's budget to one-third of the FY 1980 level, in constant dollars.

In Fiscal Year 1985, the President proposes to invest $2 billion for the maintenance of the nation's forestlands. That's two-tenths of one percent of the total proposed FY 1985 federal budget for FY 1985, for the research, protection, and management of nearly two-thirds of the nation's total land base. The combined budgets of the federal agencies principally responsible for managing the nation's renewable natural resources - the Forest Service and Soil Conservation Service in the Department of Agriculture and the Bureau of Land Management, Fish and Wildlife Service and National Park Service in the Department of Interior - do not amount to more than five percent of the total Federal budget for FY 1985 budget.

I do not want to be credited with advocating increased federal spending. Nor do I mean to imply that the nation's renewable natural resources are in a state of crisis. I simply wish to bring to your attention the trade-offs that must be weighed in preparing the Forest Service's FY 1985 budget. The Society of American Foresters believes that the RPA-recommended funding levels for FY 1985 - based on an assessment of the supply and demand for the nation's renewable natural resources - should serve as a guide in making your recommendations for Forest Service funding.

Your subcommittee deserves credit for bringing some balance to past reductions in Forest Service budgets. But if we are to be good stewards of the nation's renewable natural resources, then we must have enough funds to do the job right. Funding for key Forest Service programs must be restored, not reduced further.

Last year Mr. McClure you offered the following thought, "Natural resources management suffers in times of budgeting crisis, [but] resource costs are not just in budgetary dollars. Future generations pay a cost...The cost to the taxpayers is [not] only expressed in the outlays, it is also expressed in the condition of the resource base."[4] We agree and hope you will view the President's proposed FY 1985 budget in the same light. The benefits of renewable natural resources management far out weigh the program costs. We urge you and the members of the Subcommittee to restore funding for Forest Service programs.

Thank you for the opportunity to present our views.

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[4] From: Transcript of Hearings on the Budget for the Department of Agriculture and the U.S. Synthetic Fuels Corporation, Senate Committee on Energy and National Resources, February 3, 1983.

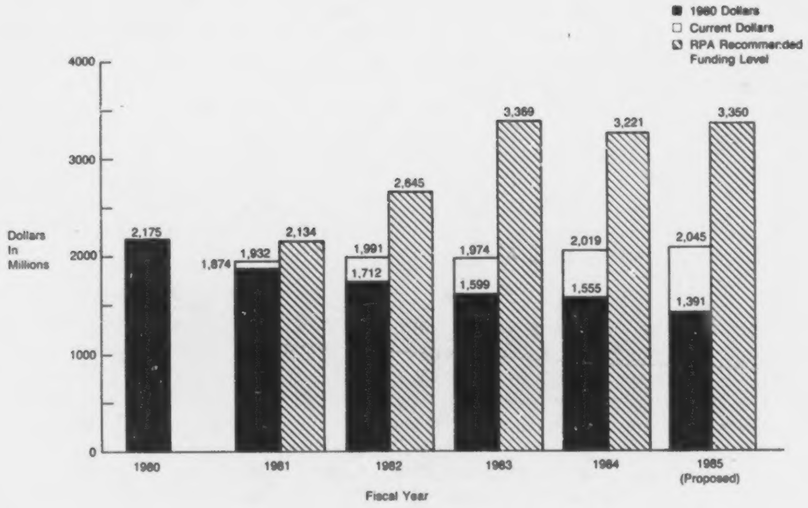


Figure 1. Total Funding, USDA Forest Service, Fiscal Year 1980-1985

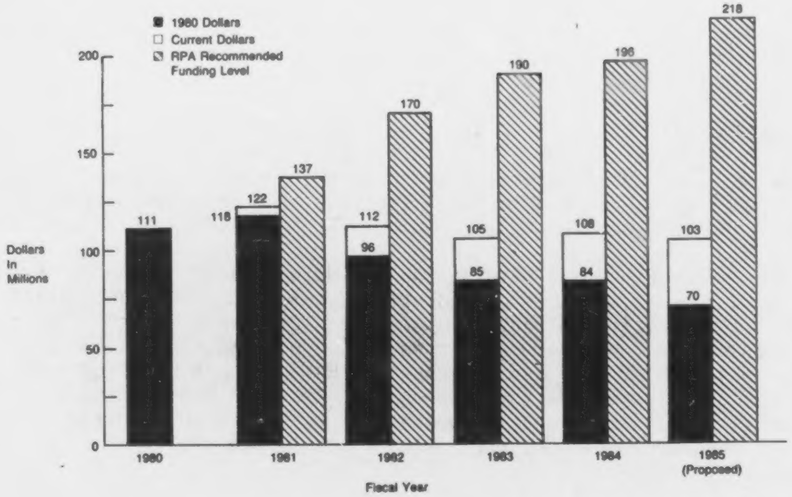


Figure 2. Research Funding, USDA Forest Service, Fiscal Year 1980-1985

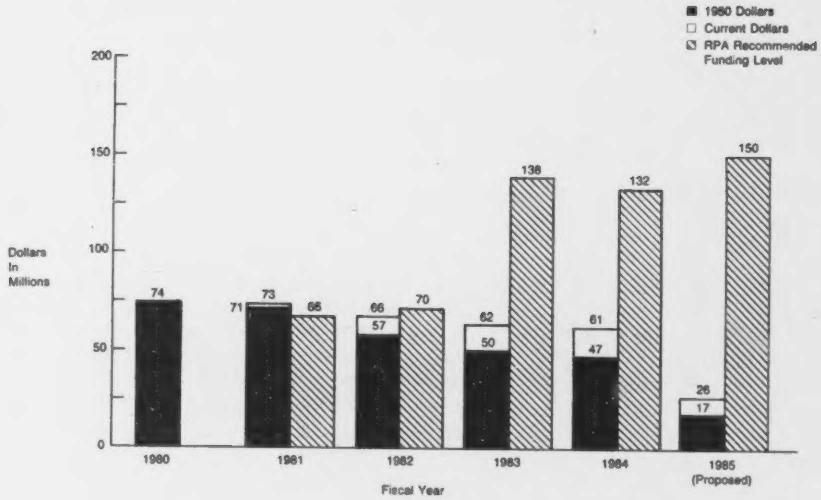


Figure 3. State and Private Forestry Funding, USDA Forest Service, Fiscal Year 1980-1985

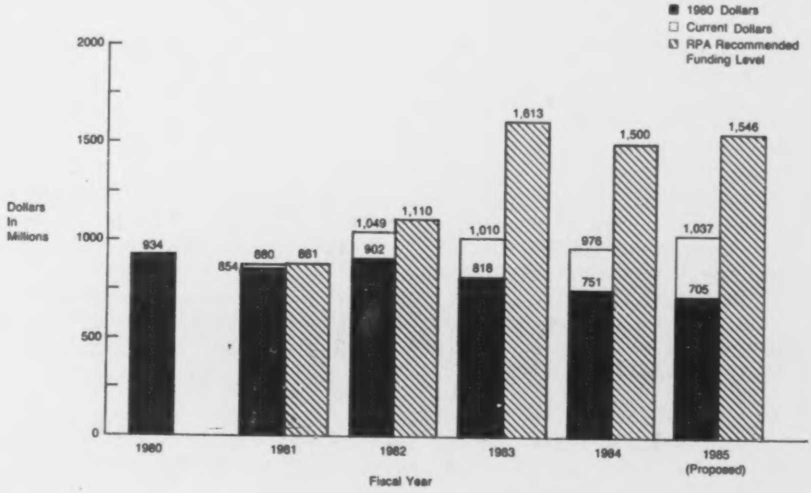


Figure 4. National Forest System Funding, USDA Forest Service, Fiscal Year 1980-1985

STATEMENT OF PHILIP HOEFER, STAFF FORESTER, STATE FOREST SERVICE, COLORADO STATE UNIVERSITY, FORT COLLINS, COLO.

My name is Philip Hoefer and I'm employed by Colorado State University, State Forest Service, as a Staff Forester. I assist over 130 Colorado communities helping them develop plans and programs for their tree assets. I want to recommend restoring the Urban Forestry line item of the USDA Forest Service budget to the 1979 level of $3.6 million.

This testimony is being submitted to help justify the need and concern for urban and community forest resources. Over 85% of Colorado's communities were established in a non-forested area so trees are a vital resource affecting a community's attractiveness and "quality of life." "Quality of life" covers a wide spectrum of physical and mental concepts or perceptions. If a "quality of life" audit were to take place, the vegetative environment would be included as a major factor. Few of Colorado's smaller communities have forestry expertise economically available to them. Funds provided to states by the USDA helped establish a technical assistance program for these communities.

The Colorado State Forest Service (CSFS) has 13 district offices which promote and provide this assistance. Federal, state and local funds combined make it possible to conduct a viable program. The CSFS is a major catalyst in activating communities to become aware, get involved, and achieve results for the benefit of the tree assets. Helping establish local Tree Boards and guiding them in planned projects is a major CSFS activity. Losing a major supporter, the Federal funds, would have a negative affect on this process. Adding funds will enhance overall effectiveness. Without these dollars, many communities will not continue to receive assistance.

Colorado now has 58 communities following annual tree care management plans. Prior to program inception and federal assistance, only 5 communities followed any type of plan. Reduced funding on federal and state levels makes it more difficult to continue this activity. Resource Planning Act levels would not be reached easily.

Research funding is another important program element. I find there are so many questions that go unanswered or answered with inadequate support. A $1.5 million budget under the Forest Recreation and Research line item will continue to provide information needed in effectively serving communities. Information on the ability of trees to improve urban environments is very helpful in selling the need for community forest management. Too many communities wait too long before doing the proper activities to improve their vegetative environment.

Colorado appreciates the funds and research knowledge received through the USDA Forest Service. Thank you for this opportunity to submit this statement for the record to the House Appropriations Committee Subcommittee on Interior and Related Agencies.

STATEMENT OF ROBERT A. BELL, VICE PRESIDENT, CONSOLIDATED EDISON CO., NEW YORK, N.Y.

Mr. Chairman, I am Robert A. Bell, Vice President of the Consolidated Edison Company in New York City. I thank you for this opportunity to present, on behalf of the Fuel Cell Users Group of the Electric Utility Industry, Inc. (the Users Group, described below in more detail), these brief remarks on the Department of Energy's FY 1985 budget for the phosphoric acid fuel cell.

The Fuel Cell Users Group of the Electric Utility Industry, Inc. is a four-year old organization with a membership of 56 utilities (and 8 Associate Members) spanning the privately, publicly, and cooperatively owned electric utility industry. A list of our membership is included as Attachment 1. Cumulatively, the members of the Users Group represent about 40 percent of the U.S. generating capacity. We are united in the interest of encouraging and supporting research, development, and demonstration leading to the ultimate commercialization of the phosphoric acid fuel cell power plant.

First, I want to acknowledge the strong support you and your colleagues on this Committee have shown for the fuel cell over time. Had it not been for your faith and patience, this technology would not have achieved the advances of recent years.

The faith of the utility industry also remains strong, as indicated by the new resolution on "Research for Growth and National Security" (Attachment 2) passed by the full membership of the National Rural Electric Cooperative Association. The nation's utilities remain solidly committed to the advancement of the fuel cell as a powerful "tool for growth." Further indication of the broad interest in this technology is the recent formation of the Industrial Fuel Cell Association, a group established to promote the application of fuel cells in chemical and other industry plants.

I'm sorry to report, however, that the Administration has yet to acknowledge that this is not a proven technology. The appeal to DOE Secretary Hodel for greater continuity of support for this public/private partnership, from the fuel cell users groups of both the gas and electric utility industries (Attachments 3 and 4), did not produce a more balanced federal budget request for FY 85. The Department of Energy fuel cell budget request bears no relationship to the Department's existing program commitments. At $13.7 million, FY-85 requested funding is down 67.8 percent from the $42.6 million appropriated for this line item in FY 1984.

I understand that the Department of Energy has justified this cut on the assumption that the fuel cell is ready for commercialization. As you are well aware fuel cell technology still requires substantial development to achieve commercial service.

Although it has achieved many of its objectives (summarized in Attachment 5), the 4.8 Mw project in New York City is experiencing difficulties in start-up. During an attempt to produce power in late December of 1983, one of the 20 cell stack assemblies in the power plant experienced a cooling system failure which prevented the plant from becoming fully operational. A decision has now been made by the project management group (DOE/EPRI/ConEd) to replace the failed stack with a spare produced under the original power plant fabrication program.

While an attempt to operate the 4.8 Mw plant for an extended period will follow the installation of a spare stack, it should be noted that the New York site is equipped with an early cell stack configuration with limited "shelf" life. An improved cell configuration has been developed to address this known deficiency, but it came too late to be incorporated in the New York site. A sister machine of the New York power plant was built in Tokyo specifically to evaluate this improved cell technology.

I am pleased to report that the 4.8 MW unit being demonstrated by the Tokyo Electric Power Company (TEPCO) in Japan attained full rated power early in February, 1984 and has now completed its initial validation testing. Every effort is being pursued--specifically, through an agreement executed between the United Technologies Corporation (UTC) and the Electric Power Research Institute (EPRI)--to enable participants in the U.S. fuel cell development effort to obtain full information and maximum advantage from the TEPCO program.

The technical risks so evident in these UTC demonstrations require continued federal support, but the utility industry is still preparing for commercialization.

Taking advantage of the experience in its demonstrations and incorporating advances in the technology achieved since 1976, UTC has designed and is developing an 11 MW commercial power plant. EPRI and the Users Group have participated in the conceptual stages of the design effort. Two domestic utilities have completed site-specific installation studies of this configuration. UTC plans to achieve production capability by the end of this decade. Entering the marketplace with a combination of prototypes and semi-production units will involve private-sector risk sharing by the utility industry and the manufacturer.

The Westinghouse Electric Corporation is in the technology development stage and has required performance improvements to overcome some technical hurdles that have been encountered. Nevertheless, Westinghouse is currently designing two 7.5 MW fuel power plants for installation at two host utility sites. One of these units will be electric only while the second will be used in a cogeneration application. Each plant will use gas-cooled cell stacks. The conceptual design for these plants is complete and has received a thorough review by the Fuel Cell Users Group. Delivery and installation of these units will take place in late-1986 and mid-1987.

Although commercialization support is building, the recent developments in UTC's demonstrations and Westinghouse's development program suggest that the fuel cell is far from achieving technical maturity, as the Administration would have us believe. Significant research and development work remains to be done. Accordingly, we estimate that--rather than the $7.2 million set aside for the phosphoric acid program in the Administration's FY 85 request--a prudent amount would be $25-30 million for the electric utility (multi-megawatt) activity. We understand that the on-site (40 kW) fuel cell program requires an amount comparable to that ($5 million) appropriated in FY 84, so that the entire phosphoric acid fuel cell appropriation should be approximately $30 to 35 million.

The fuel cell is worthy of continued Congressional support. (I am pleased to report here that the House Science and Technology Committee has recently moved to quadruple the Administration's request for the phosphoric acid fuel cell by recommending a budget approaching the $30 million level.)

A recent report by the Users Group for the Department of Energy under DOE Cooperative Agreement (#DE-FC01-82FE60018) identifies the significant advantages of this type of power production.

o With the fuel cell, utilities will be able to add increments of generation that track demand better than what is possible with larger baseload units, thus reducing the risk and financial exposure in capacity planning decisions.

o Fuel cells will go into operation sooner than units with longer leadtimes, thus improving earnings quality by limiting interest during construction.

o Operational advantages of the fuel cell include: load following, VAR control, and spinning reserve. These features combined with transmission and distribution savings due to siting near the load represent a credit of up to $125/kW of capacity.

o Cogeneration (the simultaneous production of heat and power) has a strongly positive effect on both prospective market size and share. Cogeneration credits have been estimated as high as $220/kW capacity.

o Fuel cells will be more easily sited than units with less benign environmental characteristics.

Prominent among the attractive features of the fuel cell is its minimal environmental impact, which should be of particular interest to those in Congress reviewing environmental policy and legislation. "Phosphoric acid, fuel cell power plants have low air emissions, require little or no water, and are relatively quiet," according to a report recently published by NASA for the DOE, Assessment of the Environmental Aspects of the DOE Phosphoric Acid Fuel Cell Program (May, 1983 NASA #CR-168131).

If these fuel cell benefits are to be realized, developmental risks must be taken. We respectfully request a sustained sharing of these risks by the federal government.

Mr. Chairman, I thank you and the Committee for your undiminished interest in and longstanding support of this attractive technology. I encourage your continued funding for the next few critical years.

Attachment 1

FUEL CELL USERS GROUP MEMBERS

Federal Government Utilities

Bonneville Power Administration
Tennessee Valley Authority

Cooperatives

Adams Electric Cooperative
Allegheny Electric Cooperative
Brazos Electric Power Cooperative
Buckeye Power Inc.
Colorado-Ute Electric Association, Inc.
Hoosier Energy Division, REC, Inc.
Lee County Electric Cooperative
National Rural Electric Cooperative Association

Seminole Electric Cooperative
Southern Maryland Electric Cooperative
United Power Association

Municipals

American Public Power Association
Anchorage Municipal Light & Power
Arkansas River Power Authority
Easton Utilities Commission
Jacksonville Electric Authority
Lincoln Electric System
Los Angeles Dept. of Water, Power & Light
Massachusetts Municipal Wholesale Electric Company
Memphis Gas, Light & Water
Missouri Basin Municipal Power Agency
Palo Alto Electric Utility
Provo City Power
Santa Clara Electric Department
Taunton Municipal Lighting Plant

Investor Owned Utilities

Baltimore Gas & Electric Company
Boston Edison Company
Central Hudson Gas & Electric Corporation
Central Illinois Light Company
Consolidated Edison Company of New York
The Dayton Power & Light Company
Delmarva Power and Light Company
Duquesne Light Company
Edison Electric Institute
Green Mountain Power Corporation
Hawaiian Electric Corporation
Idaho Power Company
Kansas City Power and Light Company
Long Island Light Company
Mississippi Power and Light Company
Niagara Mohawk Power Corporation
Northeast Utilities Service Company
Ohio Edison Company
Philadelphia Electric Company
Public Service Company of Oklahoma
Public Service Electric and Gas Company
San Diego Gas & Electric Company
Southern California Edison Company
Southern Company Services
Tampa Electric Company
Toledo Edison Company
Utah Power & Light Company
Virginia Electric Power Company

Foreign

Hydro-Quebec

Associate Members

Burns & McDonnell Engineering Company
Burns & Roe, Inc.
Ebasco Service Inc.
Johnson Matthey Research Centre
Kinetics Technology International Corp.
New Energy Development Organization
NUS Corporation
Stone & Webster Engineering Corporation

Attachment 2

NRECA Annual Meeting 1984

RESOLUTION NO. J-2

FROM: Research and Technological Development Committee
APPROVED BY: Resolutions Committee

SUBJECT: Research for Growth and National Security

We support a well-funded, long-range commitment for Electric Energy Systems (EES) research and development and fuel cell development. These areas have national security implications as well as the potential for providing opportunities for growth and energy self-sufficiency.

We therefore urge the Administration and Congress to provide the following:

> Minimum funding of $20-million for FY 85 for Electric Energy Systems research within the Department of Energy. EES is involved with several programs of critical national importance. Among them is the study of the effects of electromagnetic pulse (EMP) which, in the event of a strategic military weapon explosion in the atmosphere, could result in a pulse from gamma rays that could create a surge 10 to 100 times faster than a lightning stroke. Such a pulse could disrupt communications and immobilize the entire electric industry. Other EES projects which require strong support include system technologies involving improving efficiencies and reliability of power generation, transmission and energy storage, and the electric field effects of high voltage transmission lines.
>
> A five year commitment, with a minimum of $40-million for FY 85, for fuel cell research and development. The potential offered by fuel cell technology for highly efficient, dispersed electric power generation (so essential to national security) is enormous. Along with the potential economic advantages, the fuel cell has other very desirable characteristics (environmentally benign, short lead time for installation, modular design, and favorable load-following capabilities) which makes it truly a "tool for growth."

Attachment 3, Page 1

August 26, 1983

The Honorable Donald Paul Hodel
Secretary
U.S. Department of Energy
1000 Independence Avenue, S.W.
Room 7A-257
Washington, D.C. 20585

Dear Secretary Hodel:

Over the past sixteen years, the electric and gas utilities, both directly and through the Electric Power Research Institute (EPRI) and the Gas Research Institute (GRI), have invested over $150 million in phosphoric acid fuel cell (PAFC) power plant development. The private sector level of interest and financial support continues to grow as fuel cell technology comes closer to commercialization. The fuel cell program has also enjoyed broad and consistent support by Congress over the last four years. In contrast, DOE's funding support has been disappointing. As the joint DOE/industry fuel cell technology program begins the critical final step, it is essential that DOE not only request funds in its FY 1985 budget to meet its existing contractual commitments but also that DOE promptly commit funds already appropriated in the FY 1984 budget.

The electric and gas utilities are pursuing PAFC technology for two related but different applications. One application, of interest to gas and gas-electric (combination) utilities, is for small (40-300 kW) onsite generators located in commercial and multifamily residential buildings. Such plants, using pipeline gas as a fuel, could supply both electric and thermal energy, consuming no more fuel than that now required for thermal demand alone. The other application, of interest to the electric utilities, is for multimegawatt, dispersed generators located on the utility grid with the potential for waste heat recovery. These generators could use available fuels more efficiently and cleanly than any alternative peaking or load following generator.

In recognition of the potential of this option, within the past three years, over 75 electric and gas utilities have formed fuel cell users groups (The Fuel Cell Users Group of the Gas Utility Industry and The Fuel Cell Users Group of the Electric Utility Industry, Inc.) to expedite the development and commercialization of PAFC power plants (see attached member list). The development phase of the program involves joint contracts with DOE, EPRI, and GRI. The users groups provide a direct link to the electric and gas utilities which must implement the commercialization of the technology.

To resolve the question of the appropriate federal role, both EPRI and GRI adapted their fuel cell programs and funding to be consistent with the Administration's principles for federal research and development criteria. GRI, for example, assumed total funding responsibility in FY 1983 for the joint DOE/GRI 40 kW onsite fuel cell field test activities and provided 50 percent of the funds for a coordinated DOE/GRI onsite fuel cell technology development program. Therefore, we are confident that the PAFC program meets the Administration's criteria for continued DOE funding. In fact, this is evidenced by the comprehensive fuel cell R&D program DOE has planned. This Administration has signed more fuel cell R&D contracts, both in terms of dollars and numbers of contracts, than any previous Administration.

With the FY 1984 DOE budget process coming to a close and the initial planning for the FY 1985 budget being initiated, we wish to take this opportunity to discuss with you a disconcerting pattern in the DOE fuel cell program that has caused our members considerable concern during the past year. One concern is that there appears to be no link between contract funding requirements and the OMB allowance for the DOE fuel cell budget request. The other is the delay that has been experienced in contracting for new funds appropriated by the Congress. These problems not only impact the initiation and continuity of funded programs, but also impair the ability of the funding partners (EPRI and GRI) to plan and coordinate their research programs properly.

While DOE has planned and executed contracts necessary for a sound fuel cell program, there has been a breakdown between the contractual funding requirements and the budget requests for these activities. For instance, despite a cofunding agreement with GRI and a contract with United Technologies Corporation (UTC), DOE requested no funds for the 40 kW onsite technology development program in either the FY 1983 or FY 1984 budgets. Similarly, contract funding requirements for the electric utility program were $22 million in FY 1984, while the DOE budget request was for only $3 million.

Similarly, a significant portion of funds appropriated in FY 1980 through FY 1982 for new development work was not obligated for a year or more, leaving large and unproductive unobligated balances in the fuel cell program. The FY 1984 appropriations will likely authorize work beyond existing contract amounts. In view of the short time available to complete development work on the commercial prototype fuel cells, prompt obligation of these funds is important.

We hope that DOE is prepared to see the PAFC technology development through to completion in continuing partnership with industry. As an essential step in doing so, we believe that DOE should seek sufficient funds in FY 1985 to service the existing fuel cell contract program. With continued support by DOE, PAFC power plants will be commercially available within the next five years. We strongly encourage you to join U.S. electric and gas utilities and the Congress to provide adequate support for this important program. We would like to meet with you in the near future to discuss this situation and to see how we can work together more effectively.

Sincerely,

E. S. Larson

Elwin S. Larson
Chairman, Fuel Cell Users Group
of the Gas Utility Industry

Lelan F. Sillin, Jr

Lelan F. Sillin, Jr.
Chairman, Fuel Cell Users Group
of the Electric Utility Industry

Attachment 4

November 15, 1983

Mr. Lelan F. Sillin, Jr.
Chairman
The Fuel Cell Users Group
of the Electric Utility Industry
1101 Connecticut Avenue, N.W.
Washington, D.C. 20036

Dear Mr. Sillin:

Thank you for your letter of August 26, 1983, regarding the Department of Energy's (DOE) fuel cell program and the views on the program by the fuel cell users groups established by the gas utility and the electric utility industries.

I share your views in terms of the potential benefits that could be derived from the successful development of fuel cell systems. The DOE has and will continue to place high priority on the pursuit of an aggressive fuel cell program. The fuel cell funding needs, however, must be weighed against similar requirements in other energy research and development programs to preserve program balance and against national economic priorities (which necessitate fiscal restraint in the allocation of research and development funds). In this context, difficult decisions always arise regarding relative funding priorities. While recent fuel cell budget requests by the Administration have been lower than in prior years, they have been adequate to continue fuel cell technology development and have reflected the view that phosphoric acid systems technology has been sufficiently advanced by the joint efforts of the Federal Government and the private sector that the Federal role can be diminished in this area.

Regarding your comment on the need for prompt obligation of fuel cell funds appropriated by the U.S. Congress, we believe that significant progress has been made in obligating these funds during Fiscal Year 1983. As of September 30, 1983, DOE has obligated nearly all available phosphoric acid fuel cell funds appropriated by Congress through Fiscal Year 1983. Fiscal Year 1984 Departmental obligations will be handled in an equally expeditious manner.

I appreciate your personal interest in the fuel cell program, as well as the efforts of the users group that you chair in advancing this very promising technology.

Sincerely,

Donald Paul Hodel

DONALD PAUL HODEL

Attachment 5

4.5 MW FUEL CELL POWER PLANT DEMONSTRATION

New York City

1984 Update

Prior to 1983 the fuel cell demonstration project achieved two of its major objectives. First, it received siting authorization as a power plant in one of the most densely populated and environmentally sensitive areas in the country. Local groups, while initially expressing concern about public safety, learned more about the technology and its potential benefits and ultimately agreed to the facility's construction. Second, the plant was factory fabricated and installed on site by a utility using traditional methods.

Also prior to 1983, this first-of-a-kind power plant experienced extraordinary test requirements mandated by local authorities and damage to three key components due to material failure, water freezing after required hydro testing and loose insulation deflecting the flame of two start-up torches directly onto key elements in the fuel processing system. These difficulties resulted in about 2-1/2 to 3 years of delays. However, these obstacles were overcome through modified designs, new materials, revised testing procedures and other changes and innovations.

During 1983 the most important operational step toward producing electricity took place. This was the completion of the Process and Control Test, or PAC Test. The purpose of this test is to prove out the processing of the fuel into the hydrogen rich gas required by the fuel cells. It is also during PAC Test that all of the auxiliary systems and components are exercised for the first time and operated as a unit. Additionally, it provides the opportunity to cycle the fuel processing system several times, thereby verifying the repeatability of the system to perform properly. Stable operation of this system was achieved on June 8 and the PAC Test was successfully completed on June 17, 1983.

Another major step accomplished during 1983 was successful testing of the Power Conditioning System. This system converts direct current electricity into the alternating current used by most utility consumers. This accomplishment was preceeded by the usual difficulties encountered in debugging electrical devices of new designs, such as component failures, undersized electrical components, and electrical interference in logic circuits. Thermal stability tests and a 100-hour operational test successfully culminated this test activity in March, 1983.

After completion of these tests the fuel cells were installed and the production of electricity was attempted in late December 1983. Data collected during this attempt indicates that one fuel cell stack assembly has been rendered unuseable due to an internal water leak. Data also suggests that some of the 5-year old first generation fuel cell stack assemblies, while operable, are showing signs of "old age". The next attempt to start-up has been postponed while this situation is studied and evaluated. The next attempt may not begin until April 1984.

A similar 4.5 MW power plant from the same manufacturer but using improved fuel cell stack assemblies benefitted from the difficulties encountered in New York City and is now operating as a test unit in Tokyo, Japan, just three years after it was ordered. Operating data from this unit may be made available to U.S. utilities later this year.

It is important to note that much learning has already been attained from the New York demonstration. As significant as these technical achievements are, however, the production of electricity is still the goal in New York City. Its operation is expected to be useful for establishing utility confidence in the technology base and utility willingness to proceed with the high risk commercial prototype power plant purchases.

Achieving our mutual goal of commercialization of this technology still requires costly fabrication, construction and start-up testing of the first-of-a-kind commercial prototype power plants. The federal support has been instrumental in the development of the technology base. Prior to the private sector acceptance of the commercialization risks and costs, however, the technology programs must achieve their cost reduction goals and key component and system tests must be conducted.

STATEMENT OF PEGGY WHEELER, PUBLIC AFFAIRS DIRECTOR, NATIONAL CENTER FOR APPROPRIATE TECHNOLOGY

Mr. Chairman, Members of the Committee, my name is Peggy Wheeler. I am the Public Affairs Director for the National Center for Appropriate Technology (NCAT). I am here today to testify on the status of the Department of Energy's National Appropriate Technology Assistance Service (NATAS) and its budgetary needs for FY 1985. NATAS requires $3.5 million to fulfill its tasks in a quality manner in FY 1985.

NCAT received the contract to handle NATAS, after a competitive bid process, on December 21, 1983. NCAT is a non-profit organization which has been in operation since 1977. We handle federal, state, community and corporate contracts contracts providing technical assistance, energy monitoring, community energy planning, and energy conservation and appropriate technology workshops.

NATAS will provide engineering and commercialization technical assistance to states, communities, small businesses, farmers, and individuals on renewable energy and energy conservation technologies. We have subcontracted the small business development part of the contract to Cardinal Management Associates, a Los Angeles-based firm with a long track record in commercialization assistance to small businesses. NCAT's technical and information staff will be managing the program and covering the engineering aspects of the program.

We are working closely with DOE and the state energy offices preparing for a nationwide, official start-up date of May 1, 1984. We began the contract on December 21, 1983, with the FY 83 appropriated funds of $1.5 million, which were temporarily deferred. The FY'84 appropriation of $500,000 is now being moved into the program providing us with an overall operating budget of $2 million for the duration of the 18 month contract.

NATAS is different than the information service of SERI (Solar Energy Research Institute, which provides in-depth solar research in a laboratory manner applicable predominantly for univrsities and large-scale, commercial applications); it is different from CAREIRS (which provides general fact sheet information and a referral service on renewable energy and consumer issues); it is different from the SEOs (which provides programmatic and information assistance within the state); and it is different than ERIP (which provides grants to non-nuclear energy inventions and commercialization assistance to the best inventions). NATAS will respond to individual and community needs for "tailored" technical assistance in the engineering and commercialization fields in a.t. energy areas.

Toward fulfillment of this goal, NATAS will supplement and complement the services offered by SERI, CAREIRS, and ERIP by close coordiation with each so that each program may fulfill its objectives to their fullest with the utlimate goal of eliminating overlap and duplication.

NATAS will operate in the following manner: 1) The client (small business, individual, community, organization or government, school, or state agency) will call our toll-free number, write a letter, or will be referred by DOE, SEO, CAREIRS, or SERI with a specific engineering, technical information or small energy business development problem. 2) This request and client informaiton will be entered in our computer system. 3) The request will be referred to the appropriate engineering staff at NCAT or financial staff at CMA. 4) The request will be answered and the response entered in the data base and sent to the client. (To ensure response in a timely manner by NCAT and CMA staff, we will be utilizing the computer to stay on top of different cases being handled by the commercialization or engineering staff to ensure that requests don't get lost in the shuffle.) The data base will be utilized in analysis of trends and in the monitoring of quality as well. 5) Reports will be sent regularly to DOE and the states so that they are kept informed of NATAS requests and responses.

The program as just described is an exciting one which we at NCAT are pleased to manage. The SEOs are getting interested in the program also, as conveyed to use in current trips to their offices to explain NATAS. They see it as an opportunity to learn more about what other states are doing and as a means of helping those clients who have had nowhere to turn in the past for answers to technical questions of a small-scale, but to them, complex nature.

Obviously, the program can not flow as smoothly as the charts outline. Even though the program is not yet in operation we have identified major problems in the program which we have tried to address in our FY 85 budget recommendation for NATAS. As the budget now stands, we expect to be able to handle 10,000 engineering and information requests and 1,000 commercialization requests. But of this 11,000 total, we are very limited in how many in-depth, assistance projects we can handle due to heavy cost of manhours such complex requests demand. An example is a request which came in from Kansas to assit in the development of a heat exchanger using ammonia for a solar pond, and the monitoring of its capabilities. We estimate this request took more than 60 manhours due to the need to go on site and to conduct extensive analysis. The $2 million budget NATAS has will be able to handle only a limited number of such requests, though the benefits derived from such projects are substantive for the client and other communities who acquire the technology developed.

The breakdown we envision for types of calls responded to is:

1) Of the incoming 10,000 engineering requests we can handle in total, we will respond to about 8,000 of a lightly technical nature, such as where can weatherization materials be bought in bulk; or what are the economics of geothermal heat pumps; 1800 of an intermediate nature, where workshops will be used also as an information dissemination format, such as extensive literature search to provide information on available wind machines, and approximately 200 in-depth requests requiring complex analysis of a scientific nature, such as providing a community with an energy plan that uses local resources. Of the 1,000 commercialization requests projected, 900 general business development assistance responses will be handled and 100 in-depth, complete commercialization assistance projects will be handled.

All types of requests are important. To a person wanting to know if his solar hot water heater design is correct, if there are cheaper forms of window insulation besides storm windows, or where to find venture capital for his energy business, the answers we will give are as important as those responses that devise a community energy planning framework for a locality of one million people, or help start a multi-pronged solar business. Still, we feel there is a need for more funds to be channeled for in-depth requests due to the large impact such responses could have in helping entire communities deal with their energy needs and problems, and the usefulness of such responses and projects to other areas.

Also, as we have worked the breakdown of types of requests that can be responded to, we ended up with little funding left for 1) engineering workshops which DOE feels would be an excellent way to reach larger numbers of people with hands-on training sessions on topics identified as common needs; or 2) for the much needed governmental coordination between NATS and the other technology transfer programs, SEOs, CAREIRS, and SERI.

Finally, there are two new areas we feel are a must to include in the NATAS program if we are to offer our clients, your constituents, the very best information and technologies to meet the needs at hand. These new areas of NATAS would be:

1. a technical monitoring, verification and evaluation function and
2. a publication function.

The Technical Monitoring, Verification and Evaluation function would enable NATAS to develop and maintain an excellent, precise quality level of technical assistance, due to the flexibility to monitor existing and developing small-scall technologies. Many projects funded by DOE, or by states or individuals, in small-scale energy technology development have resulted in seemingly useful technolgies made known to NCAT, and thus, NATAS. Currently, NATAS has no capability to verify these technologies and then move the good technologies into its information arm.

Examples of projects which are ready for monitoring and verification are:

a. A grantee in Vienna, Virginia, who used his DOE funding to study a hydro-pyrolsis process of converting sewage sludge to oil. The feasibility study shows that the process is technically sound, but sewage treatment and oil industry representatives want to see verification before they will consider investing in the project.

b. A California grantee constructed a solar thermal liquid piston water pump prototype. Solar collectors produce low-pressure steam which pushes on a float, forcing water out of the pump through a check valve. The steam is vented and condenses in the makeup water. The reduced internal pump pressure draws makeup water into the pump through the check valve. This innovation has several useful applications in remote sites where electricity is not available.

c. A Rhode Island grantee is recycling dryer heat at a commercial laundromat to preheat water. He installed an innovative "heat trip" that captures this wasted heat and uses it in the washing cycle. Results show a 55 percent decrease in fuel consumption and a payback of less than two years. A coordinated campaign to apply this technology could result in significant impact on energy consumption in this sector.

e. In Boulder, Colorado, municipal water is collected in high mountain reservoirs, and then is piped down for use in the city below. The city studied the feasibility of installing hydroelectric generators in the water. The recommendations of the feasiblity study should be implemented and the actual operating system should be evaluated so that this technology can be transferred to other cities with similar systems.

The Publications Function would allow NATAS to continue producing the level of "how-to" publications on small-scale energy needs that NCAT has been producing under current contract, a contract soon to end. After this contract ends, NATAS will have no means of producing material in a manner useful to clients that addresses somewhat in-depth level of information transfer.

We believe that the most useful information is being found in the grans currently being completed, on which information is now just becoming available. At least 11 additional publications can be produced by NATAS based on all of these materials. These publications include the following topics:

a. How to select and evaluate wind systems components
b. Low-cost solar space heating
c. Passive refrigeration and cold food storage
d. Structural and water proofing systems for heavy roof loads
e. Commerical and municpal applications of cogneration and waste heat recovery
f. Weatherization strategies for warm climates
g. Low-cost radon remediation techniques
h. How to use an air vapor barrier effectively in all climates
i. Classroom experiments: understanding solar cells
j. How to size and install a photovoltaic system
k. A trouble-shooter's guide to photovoltaics

The budget needed to cover the ongoing program, while meeting these additional needs, is $3.5 million base: $2 million to go for the on-going NATAS program, including additional funds for governmental coordination, workshops and the in-depth assistance; $1 million for the verification program; and $0.5 million for publications.

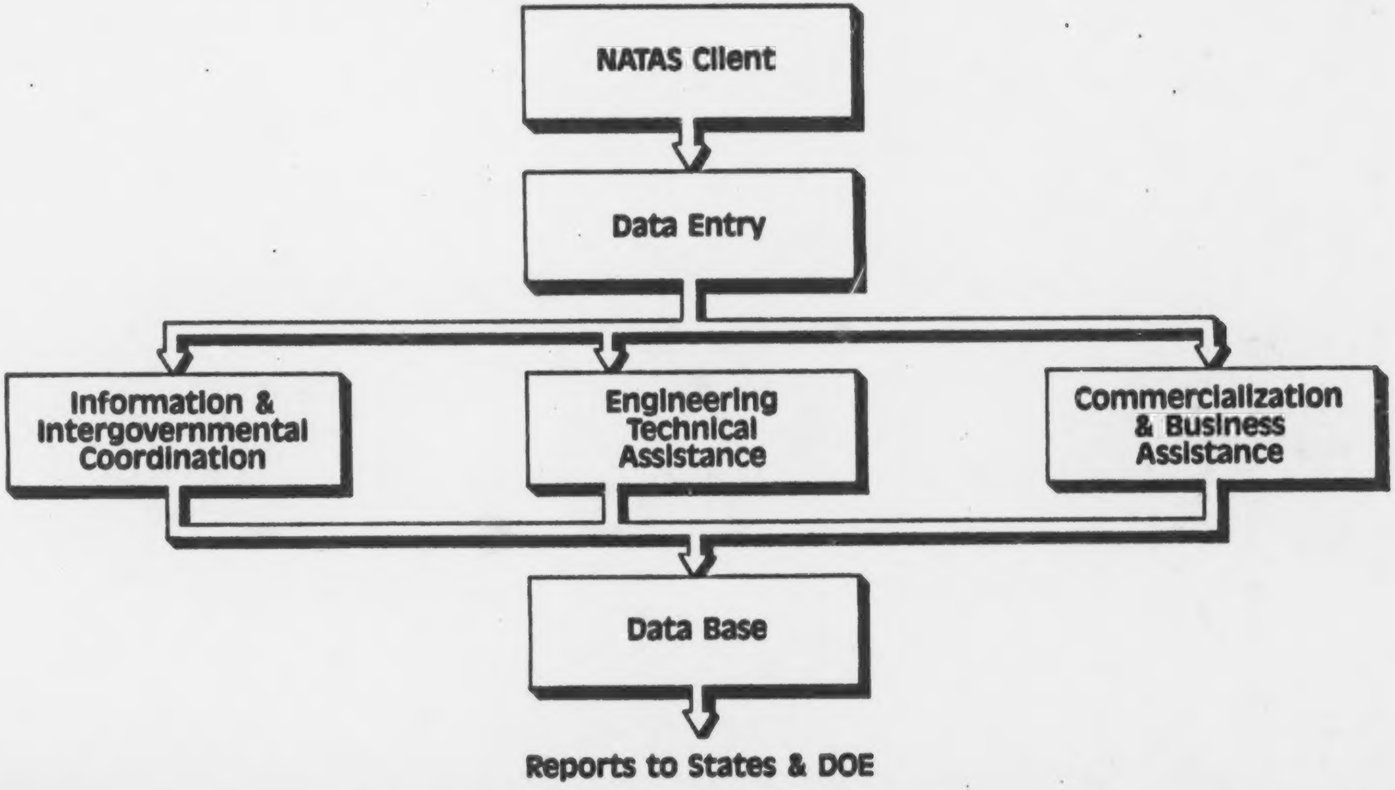
This $3.5 million will make NATAS into a tight, workable program that offers highest quality materials and technical assistance on the best technologies available, while coordinating governmental services for better utilization of all our talents.

The demand is there. We know the demand is there, due to calls already coming in that number in the hundres though the program has yet to be advertised; we know the demand is there because of our past and present work with individuals and communities; and state offices in the entire a.t. field. It just requires getting the word out on the program as directly to the people as possible, and then being ready to handle the requests with quality responses.

The budget we ask for the FY 85, whether we at NCAT will be handling NATAS in the future or not, is what NATAS needs to do its job correctly. Please fund it at that level.

Thank you for your attention.

NATAS Process



NATAS Client

Data Entry

Information & Intergovernmental Coordination

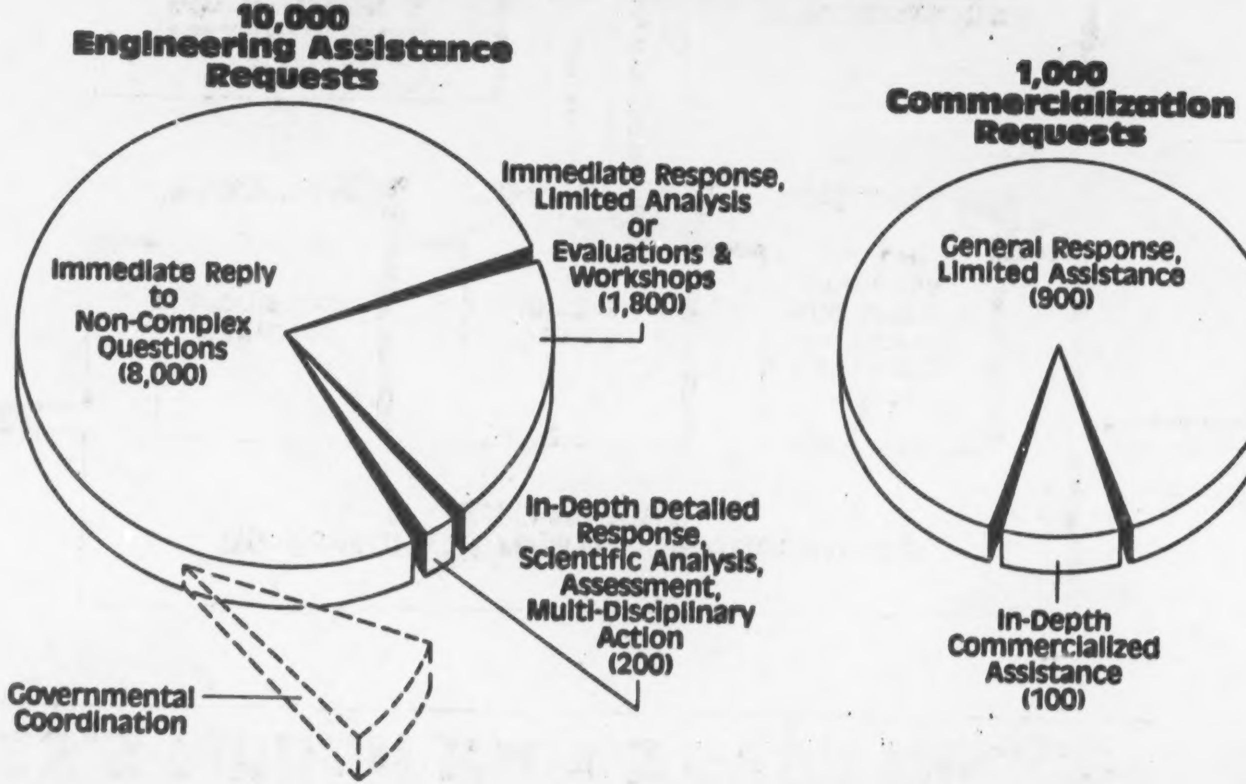
Engineering Technical Assistance

Commercialization & Business Assistance

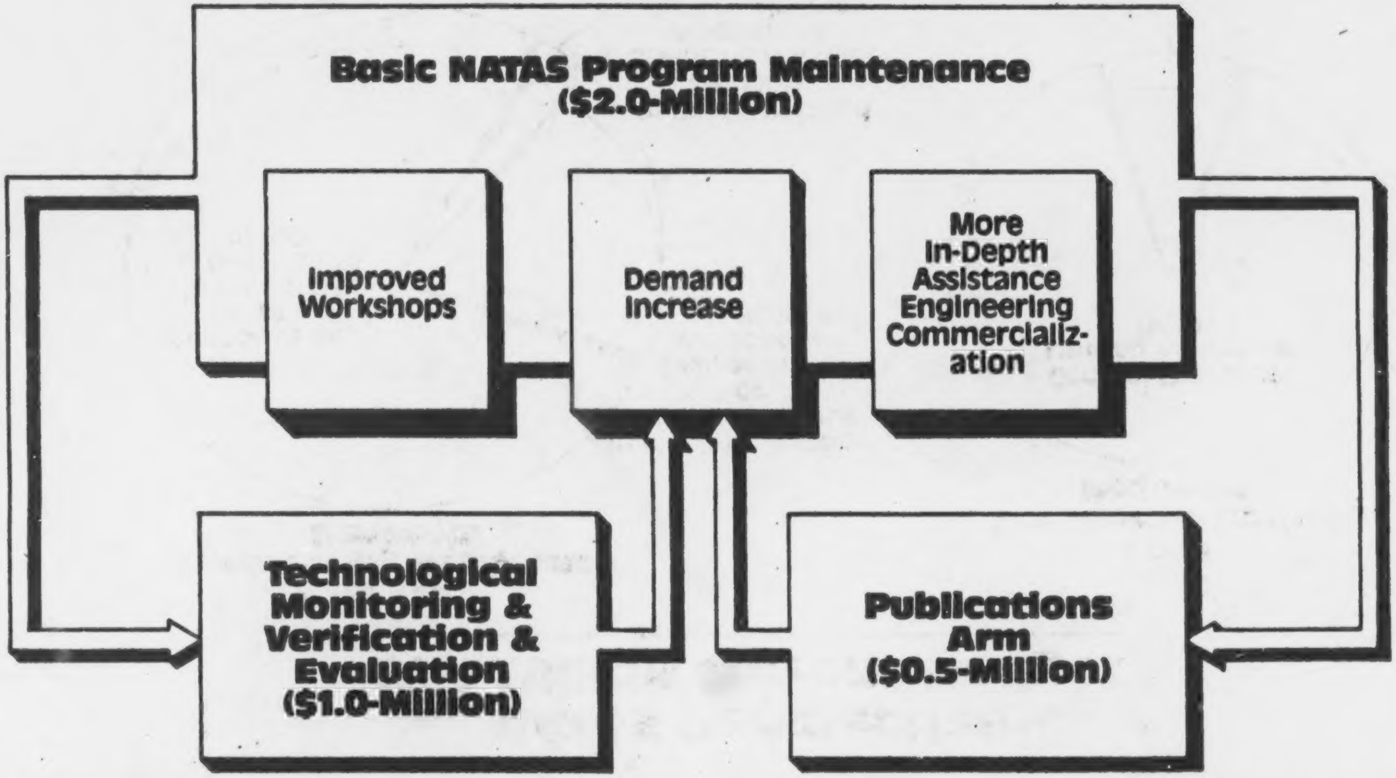
Data Base

Reports to States & DOE

NATAS Perspective – $1.4-Million Current Budget



$3.5-Million NATAS FY85 Budget



Basic NATAS Program Maintenance
($2.0-Million)

Improved Workshops

Demand Increase

More In-Depth Assistance Engineering Commercialization

Technological Monitoring & Verification & Evaluation
($1.0-Million)

Publications Arm
($0.5-Million)

STATEMENT OF FRANK C. SCHORA, PRESIDENT, HYCRUDE CORP.

This testimony pertains to FY '85 Department of Energy's non-nuclear R&D appropriations. HYCRUDE Corporation supports a $9.0 million program for Eastern oil shale R&D in FY '85 consisting of:

- $1.0 million for resource characterization
- $2.0 million for fundamental research
- $4.0 million for advanced research
- $2.0 million for environmental studies

Mr. Chairman and Members of the Subcommittee:

My name is Frank C. Schora. I am president of HYCRUDE Corporation, which was formed in 1980 specifically to further research and development efforts for production of synthetic crude oil from Eastern U.S. oil shales. We see these shales as a major indigenous source of oil to help supply future U.S. needs.

The strengthening of OPEC a decade ago resulted in a spurt of energy-related investigations ranging from conservation studies to research on alternate energy sources.

One such alternate energy resource identified at that time was the Devonian oil shale located in the Eastern United States. Resource assessment studies carried out by the Institute of Gas Technology, individual state geological surveys, and universities indicate that Eastern U.S. oil shale is an extensive resource.

The states of Alabama, Indiana, Kentucky, Michigan, Ohio, and Tennessee contain Devonian oil shale deposits which are sufficiently rich and accessible to enable support of significant oil production for long periods.

The development of Eastern oil shale as a supply of domestic synthetic liquid fuel is desirable for many reasons. The location of this resource in the central U.S. will assure a reliable and secure supply of high quality domestic crude oil which is in close proximity to oil refineries and markets. The resource location is in an area which has a well established socioeconomic infrastructure and available process water.

In spite of the opportunity for the reduction of oil imports which development of Eastern oil shale poses, the development of Eastern oil shale as an economically competitive source of synthetic crude oil is at a crossroads. The continuation of research programs and the initiation of new research programs by the private sector is essentially at a standstill because of the drop in world oil prices, uncertainties in their future pricing, and the temporary glut which is partially the result of depressed economies in the free world. However, the development of economically viable and environmentally acceptable oil shale retorting processes requires a continuous effort if such processes are to be ready when they are needed in the future. We believe there is no slack that can be allowed in such a development, especially when there is no rational basis on which we can project the time when such processes will be needed either on a national security basis or when they will become more economically justifiable than continued importing of oil.

Interruption of research programs for alternate energy sources such as Eastern oil shale is not in the Nation's best interest. In this case, a consistent government program is needed to foster the continuous development of the Eastern oil shale data base. The program should address the key areas which will develop the data base on Eastern oil shale. These areas are: resource assessment, fundamental and advanced research projects, and environmental and socio-economic studies.

For FY '85 the allocation of $1.0 million to states which have commercially promising Eastern oil shale deposits would provide sufficient funding to further resource characterization studies which would provide a better understanding of the geology and geochemistry of Eastern oil shale. The amount of resource characterization work which has been performed on Eastern oil shale varies from state to state. The funding level recommended would provide for the continuation of studies which assess the richness of the oil shale resource and the feasibility of commercial development.

The inclusion of fundamental research projects in the program will ensure the continued entry of possible new process concepts designed specifically for full utilization of Eastern oil shales. Because Eastern oil shales do not respond as favorably to conventional retorting processes as Western shales, a fundamental research program is necessary to continue the development of technologies which improve the economics and efficiency of synfuels recovery from Eastern oil shales. Such a program will provide data in a form that can be readily utilized by process developers in future design efforts.

A funding level of $2.0 million in FY '85 is necessary to support fundamental research efforts designed to significantly improve and/or modify existing Eastern shale retorting processes and to investigate new, yet to be proven technology.

Over $17 million has been spent to date by the private sector on research and development of moving-bed hydroretorting of Eastern U.S. oil shale. HYCRUDE Corporation recommends $0.50 million to continue fundamental research activities to further improve oil shale utilization and oil yield in moving-bed hydroretorting. For example, modifications to the retort and the process operating conditions would enable utilization of most of the fines generated during shale crushing thereby improving resource utilization. Also, development of a technique to control the oil droplet size in the retort would prevent condensation of the oil vapor on incoming raw shale and its subsequent revaporization and cracking which reduces oil yield.

HYCRUDE Corporation also recommends $0.50 million for the investigation of a countercurrent baffled fluidized bed to retort oil shale fines which would increase the utilization of shale fines which must currently be discarded. Additionally, HYCRUDE recommends $0.25 million to investigate the gasification characteristics of Eastern oil shale.

The advanced research program should be directed toward broadening the data base of the technologies which have shown enhanced oil recovery from Eastern oil shale. The advanced research program should focus on moving-bed hydroretorting and other new technologies developed specifically for Eastern oil shale. These processes have relatively near-term (within the next decade) prospects for commercialization. An allocation of $4.0 million in FY '85 will allow for continuation of advanced research on Eastern shale retorting technologies. HYCRUDE Corporation recommends $1.85 million to be allocated to moving-bed hydroretorting advanced research projects which would build upon the results of research efforts funded by the private sector. These research activities would concentrate on improving the economics of the process by reducing the consumption of hydrogen and ensuring that the most efficient shale mining, crushing, and auxiliary processing systems have been applied to oil shale retorting. Experimental work would also be performed to widen the Eastern shale data base and to provide analytical data necessary for environmental studies.

It also recommended that $0.75 million be allocated to investigate the gasification of oil shale fines and residue utilizing an existing ash agglomerating fluid bed reactor, and that $0.40 million be allocated to investigate the economics of beneficiation (enrichment) of Eastern oil shale.

Because it is also important to ensure that the knowledge of effects of environmental and socio-economic impacts keeps pace with the growing knowledge of resources and processing methods during the development of an Eastern oil shale data base, an environmental and socio-economic study program is recommended. Since the environmental and socio-economic issues are site-specific, they are a major concern of state and local governments. Except for instances in which research is conducted on a specific process, it is advised that funds allocated to perform environmental and socio-economic studies be allocated to the states which contain commercially promising Eastern oil shale deposits.

An allocation of $2.0 million in FY '85 should enable preliminary environmental and socio-economic data to keep pace with other areas of development. From a process standpoint HYCRUDE Corporation recommends $0.40 million to investigate the environmental impacts of moving bed hydroretorting.

Thank you for this opportunity to present my views to you today. I will be happy to answer any questions you may have.

Eastern Oil Shale Research and Development

Recommendations FY '85

PROGRAM FACT SHEET

RESOURCE CHARACTERIZATION

Resource characterization work performed to date has shown that Eastern U.S. oil shale is a major energy resource. Although it has been shown that the states of Alabama, Indiana, Kentucky, Michigan, Ohio, and Tennessee contain commercially promising oil shale deposits, the level of understanding of the geology of Eastern U.S. oil shale is below that which has been attained in the case of other major domestic energy resources.

Further resource characterization is necessary to provide a better understanding of the geology and geochemistry of the resource. This will help to identify areas best suited for commercial development and will also help to establish a baseline for environmental studies. This work can be accomplished at a comparatively modest level of funding because of the volume of basic geological data which can be used as a starting point.

Area-wide maps detailing resource composition and richness as well as surveys to determine potential by-product metals will aid in energy resource evaluation and mine planning.

Correlations of the oil yield from various processes with oil shale geochemistry and modeling of the distribution of organic materials, minerals, and fossils would simplify the evaluation of the commercial potential of oil shales in a given area.

This knowledge would help state and local governments to pre-evaluate the impact of commercial-scale oil shale development in their areas. Resource characterization work is therefore best performed by individual state agencies.

HYCRUDE Corporation recommends that $1.00 MM in FY '85 be allocated to concerned states for resource characterization work.

FUNDAMENTAL RESEARCH

Improvement of Yield in Moving-Bed Hydroretorting

Moving-bed retorting of oil shale in a hydrogen-rich atmosphere at elevated pressure (hydroretorting) has been proven to result in enhanced oil yields for Eastern shale retorting which are up to twice the oil yields obtainable utilizing conventional thermal retorting technologies. Fundamental research in two areas could result in improvements in oil shale utilization and oil yield.

Currently, 10% to 20% of the raw shale must be discarded without processing of any sort because during the shale feed preparation (crushing and screening) a portion of the shale becomes too fine to be retorted in a moving bed under current operating parameters. In order to avoid wasting this portion of the resource, fundamental research work should be performed to modify the process operating conditions and/or reactor mechanical configuration to broaden the capacity of moving-bed hydroretorting to enable processing of fines.

Oil refluxing (condensation of oil vapor on incoming raw shale and its subsequent re-vaporization) reduces the efficiency of moving-bed countercurrent oil shale retorting processes because a significant portion of the oil reacts with hydrogen to form hydrocarbon gases when the oil re-vaporizes. The investigation of mist formation systems could result in control of the oil droplet size which would help to minimize refluxing, thereby improving the oil yield and process efficiency of countercurrent moving-bed hydroretorting systems. Development in this area could also be of significant assistance to conventional thermal processes.

HYCRUDE Corporation recommends $0.50 million in FY '85 to research methods to improve the oil shale utilization and oil yield in moving-bed hydroretorting.

Process Chemistry

Research projects which investigate both the chemistry of specific processes and general mechanisms of retorting chemical reactions are necessary. Specific areas in which further research is warranted include Eastern oil shale beneficiation process chemistry studies. Oil shale beneficiation, or concentration of the organic content of an oil shale, results in a greatly enriched oil shale feedstock which significantly reduces material handling capital and operating costs.

Existing thermal retorting processes have more complete energy recovery when spent shale is burned. However, Eastern oil shale has a higher sulfur content than Western oil shale. Therefore, another area which should be investigated is the direct combustion of Eastern shale (raw or spent). Another process chemistry study which would help to provide a better understanding of the mechanism of retorting chemical reactions is the identification of the primary and intermediate reaction products of Eastern oil shale. Furthermore, the investigation of a variety of retorting atmospheres such as steam, methane, carbon monoxide, etc., should be investigated to optimize operating conditions for achieving possible enhanced oil recovery.

HYCRUDE Corporation recommends $1.00 million in FY '85 to research Eastern oil shale retorting process chemistry.

Novel Methods for Fines Processing

Present technologies for processing shale fines do not incorporate efficient countercurrent heat recovery from the processed shale because oil refluxing causes the fines to plug up the retort. The use of a countercurrent baffled fluidized bed that incorporates oil droplet size control can retort shale fines without plugging using highly efficient countercurrent gas/solids contacting.

HYCRUDE Corporation recommends $0.50 million in FY '85 to investigate retorting of shale fines in a countercurrent baffled fluidized bed.

ADVANCED RESEARCH

Advanced Hydroretorting Studies

The process chemistry of moving-bed hydroretorting has been proven at the fundamental research level and because of the increased oil yield and quality obtained, advanced research is now warranted. Reduction of the hydrogen consumed in the process reduces both capital and operating costs. Methods for reducing the consumption of hydrogen in moving-bed hydroretorting should be further researched. The process economics can also be substantially improved by performing a sensitivity analysis on the entire system (shale mining, crushing, and all processing sub-systems) to ensure that the application of the most efficient systems for oil shale retorting have been included. Hydroretorting assays, continuous moving-bed hydroretorting tests, and detailed chemical analyses of products should be performed for a variety of Eastern oil shales to broaden the data base necessary for continued process development and environmental studies. Additionally, a preliminary study of the use of oil produced by moving-bed hydroretorting should be performed to evaluate its potential use for aviation turbine fuels or chemical feedstocks.

HYCRUDE Corporation recommends $1.85 million to be allocated to moving-bed hydroretorting advanced research projects.

Oil Shale Beneficiation

Beneficiation (enrichment) of the organic material (kerogen) in oil shale results in a more concentrated shale feed. The economic trade-off between beneficiation costs and the subsequent oil shale retorting costs should be evaluated for several processes in order to determine the optimum level of beneficiation.

HYCRUDE Corporation recommends $0.40 million in FY '85 to carry on advanced oil shale beneficiation studies.

Scaleability of Novel Eastern Shale Retorting Processes

The scaleup issues (oil yield versus equipment size) should be investigated for novel methods for Eastern oil shale retorting including fast heatup, fluidized bed thermal retorting, which has shown promising oil yields to date.

HYCRUDE Corporation recommends $0.25 million in FY '85 to carry out this work.

Gasification of Fines and Residue Shale

Oil shale fines and shale residue contain carbon which can be gasified in a spent shale-agglomerating fluidized bed to produce additional gaseous fuel. Potentially leachable material could also be immobilized in the form of non-leachable spent shale agglomerates.

HYCRUDE Corporation recommends $1.00 million in FY ' 85 to investigate the gasification of Eastern oil shale fines and residue in an spent shale-agglomerating fluidized bed.

Auxiliary Process Studies

Advanced research work should be performed in several areas which are auxiliary to any Eastern oil shale retorting project. The method of preparation of oil shale feedstock by crushing and screening is important to all Eastern shale retorting technologies, as this consumes energy and generates fines which cannot be retorted utilizing presently available technology. Methods for oil shale crushing which minimize energy consumption and produce a closely controlled size range of crushed shale, thereby reducing fines waste, should be investigated.

It has been discovered by several researchers that there is a loss of oil yield potential from thermal processing after mined shale is exposed to the atmosphere (weathering) over periods as short as several days . It is important to investigate the extent of raw shale weathering as a function of exposure time, shale particle size, etc., so that appropriate action can be taken to prevent significant loss of potential oil yield. A research effort should be supported which investigates the cause and effect of raw shale weathering on retorting oil yields.

The efficient separation of water and fines from the oil produced during retorting is an important element of producing raw shale oil of consistent quality. Improved methods for separation of water and fines from shale oil such as the use of electrical fields should be developed and tested.

HYCRUDE Corporation recommends $0.50 million in FY '85 to carry out advanced research projects on systems such as shale crushing, shale weathering, and oil/water separation which are ancillary to the retorting system itself.

ENVIRONMENTAL AND SOCIO-ECONOMIC STUDIES

Environmental Impacts of Hydroretorting

It is important during the development of an Eastern oil shale data base to ensure that the evaluation of environmental and socio-economic impacts keeps pace with the growing knowledge of resources and processing methods.

A study should be conducted to further define the major environmental impacts of moving-bed hydroretorting and to develop process configurations which minimize these impacts in the most cost effective manner.

HYCRUDE Corporation recommends $0.40 million in FY '85 to carry out this work.

Environmental and Socio-Economic Studies

Since many environmental and socio-economic issues are site-specific, they are a major concern of state and local governments. Except for instances in which research is conducted on one specific process, it is advised that monies to perform environmental and socio-economic studies be allocated to the states which contain commercially promising oil shale deposits.

It is recommended that fundamental experimental studies be conducted to study the effects of differing retorting technologies and methods of mine reclamation or spent shale leaching.

During retorting, a significant portion of the sulfur present in the raw shale ends up in product gas and water in one form or another, and must be removed. Sulfur in the spent shale also has the potential to produce leachates. Techniques should be investigated to remove sulfur from raw shale prior to retorting which would eliminate the need for, or reduce the size of, sulfur removal processes.

The impact of re-contouring Eastern oil shale resource areas and expansion of their use for agricultural purposes should be studied. The effects on water balances and the social infrastructure should be examined.

It is recommended that preliminary studies be performed to identify areas which have the potential to be improved after land reclamation by revegetation with plant species which could not survive on the land before reclamation.

Studies should be conducted to determine the probable water requirements for a mature Eastern oil shale industry on a state-by-state basis, and the environmental impact of supplying those requirements should be investigated.

A preliminary study or studies should be performed to identify potential socio-economic impacts of the area-wide development of an Eastern U.S. oil shale industry.

HYCRUDE Corporation recommends $1.6 million in FY '85 be allocated to the states which contain commercially promising Eastern oil shale deposits to conduct general environmental and socio-economic studies of concern to a developing oil shale industry.

STATEMENT OF ARCHIE J. MCDONNELL, MEMBER, WATER RESOURCES COMMITTEE, NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES

I am Archie J. McDonnell, Professor of Civil Engineering and Director of the Institute for Research on Land and Water Resources, The Pennsylvania State University. I am also a member of the Water Resources Committee of the National Association of State Universites and Land-Grant Colleges and this statement is presented on behalf of that committee. Our Association has 144 public university members.

As you know, on March 21, 1984, the Senate voted (87-12) to override the President's veto of the Water Resources Research Act of 1983, and the House concurred by a vote of 309-81 the next day. In doing so, the Congress has reaffirmed its commitment to water research, supported the need for, and recognized the value of the work performed by the network of water resources research Institutes. It is gratifying to know that this bill authorizing continuation and strengthening of a joint federal-state water resources research effort has had so much support both in the Senate and the House. But most important the new legislation contains significant features which will improve this vital program.

First, the legislation stipulates that each Institute will be formally evaluated on a rigorous and regular basis to insure that its research is of high quality and that its program is relevant to and warrants support in the national interest.

Second, each Institute supported under Section 104 of the bill must match every federal dollar with at least one non-federal dollar initially, and ultimately with two non-federal dollars. These provisions provide for a true federal-state cooperative effort to address critical water issues of national relevance, with non-federal elements carrying an increasingly larger share of the finances over time.

Using these funds in the past the Pennsylvania Water Resources Institute, one of the largest programs in the network, has matured to the point where it is considered to be a leader knowledgeable in the water problems of the state and one capable of mobilizing the Commonwealth's university research expertise to address these problems. This kind of program confidence and rapport with user groups does not occur overnight. It takes the continuing presence of a viable organization, one committed to problem solution and one with the continuing resources to implement this commitment.

It has been my experience that our most dramatic successes have occurred where our faculty researchers have been allowed to pursue a program theme continuously over time, allowing for the pitfalls, misdirections, and frustrations that accompany any inquiry into the unknown. Meshing this with an organizational structure that can identify critical problem areas, initiate and sustain research efforts, and translate results into action programs by interfacing the researcher and his results with identified user groups, one has a formula which, at least, has worked for us. The legislation, as currently structured, is ideally suited to this type of endeavor.

Although seemingly small, the monies provided to the individual state centers through this appropriation have allowed: the stability needed to carry research efforts through the implementation stage; the flexibility to initiate new thrusts in a timely manner; the continuity to sustain projects of exceptional merit during funding lapses; and the leverage to secure complementary support. At Penn State, some outstanding programs which were initiated and which have provided solutions that are now in the mainstream of national use include:

- Spray irrigation of treated wastewater effluents. Pioneered the development of a program for the removal of nutrients from domestic wastewaters with subsequent water recycling. Now recommended by EPA as a preferred method of treatment and conventionally used on a national basis. Presidential commendation.

- Fracture tracing for groundwater prospecting. Developed a new method for locating water wells which is significantly more effective than methods previously available. A cursory accounting revealed that some 123 communities, and industries had utilized the technology, with savings in groundwater development costs estimated to exceed 32 million dollars.

- Residential water conservation. Applied research, demonstration and technology transfer program instrumental in the adoption of residential water conservation in numerous Pennsylvania communities and partially responsible for the creation of the Water Conservation Technical Assistance Section within the Department of Environmental Resources. Action preceded emergence of conservation as a national issue by two years.

The authorization for Section 104 is 10 million dollars. Our institutes are prepared to address critical water resources problems which are important to the nation, the regions and the individual states. These programs will be established considering national priorities and they will be closely coordinated among the Institutes. In fact, recently, these Institutes have adopted a protocol of project approval on a regional basis, with a particular focus on a select number of priority areas. In the Middle-Atlantic region this focus is on groundwater protection and management, and water quality impacts from non-point source pollutants with special emphasis on acid precipitation. In fiscal year 83, nine projects were initiated in the groundwater area and fifteen in the non-point pollution category. Similar emphases were identified in the New England region. Coordination and guidance for synthesis of research results derived from the regional outputs will be provided by the U.S. Geological Survey. In this way the Institutes hope to maximize the impact of their individual efforts, and in the aggregate to provide solutions to problems of national scope.

We understand that resources are limited, however, ignoring water issues will not resolve them. We believe that the federal government has a responsibility to provide support for research to help solve the nation's water problems. These problems cut across state lines and demand regional and national cooperation. We respectfully recommend that the program under Section 104 be funded at the authorized level of 10 million dollars. Doing so will assure that a coordinated, nationally relevant water research program will be undertaken and sustained.

If Seotion 104 represents the foundation, then Sections 105 and 106 are the building blocks.

The competitive matching grant program under Section 105 provides for a water research effort which would be directed at issues which the Secretary of the Interior deems to be in the national interest. These competitive grants can be made only after thorough review and evaluation by experts. Any qualified educational institution or private research group is eligible to compete for these matching grants. Since there is a requirement for dollar-for-dollar non-federal matching, the maximum research effort for each federal dollar spent is again assured.

The nation has many water problems which are reaching critical proportions in many regions. Moreover, there are interested and qualified researchers available to address these problems. However, the work will not be done without encouragement and support from the federal government. In a recent national competition for less than five million dollars in water research funds administered by the Bureau of Reclamation there were 321 proposals submitted, with the total amount requested equaling 55.1 million dollars (46.2 million dollars federal and 8.9 million dollars non-federal). The evaluation of these proposals indicated that at least 2/3rds of them were directed at important and in some cases critical water problems. Furthermore, they were judged to be of high quality. However, most could not be supported because of funding limitations.

Even if the authorized 20 million dollar program under Section 105 were appropriated all the important water problems will not be addressed. However this program should be supported. To do so will provide for a water research program on important national problems conducted by the best qualified researchers in the nation. Moreover, the total magnitude of the program will be at least twice the amount of federal funds committed. We believe this justifies appropriations at the authorized level of 20 million dollars and respectively recommend this for your consideration.

In closing we also support technology development as provided in Section 106. The NASULGC member universities can make significant contributions to the development of technology through applied programs in engineering and in other areas. Federal support of advanced technological research can make an important contribution toward preventing our nation's water problems from becoming national water crises.

On behalf of the water resources committee of the the National Association of State Universities and Land Grant Colleges, I thank you for the opportunity to submit this statement.

LETTER FROM FAITH T. CAMPBELL, PH. D., NATURAL RESOURCES DEFENSE COUNCIL AND GINGER MERCHANT, DEFENDERS OF WILDLIFE

March 22, 1984

The Honorable James McClure
Chairman of the Subcommittee on Interior
Committee on Appropriations
U.S. Senate
Washington, D.C. 20210

Re: FY 1985 appropriations for the Bureau of Land Management

Dear Senator McClure:

The Natural Resources Defense Council, Inc. (NRDC), and Defenders of Wildlife (Defenders), public interest environmental organizations representing over 100,000 members and contributors, ask that this letter be included in the record of the Interior Appropriations Subcommittee hearings on the FY 1985 appropriations for the Bureau of Land Management (BLM).

We were pleased by Congress' past support of the BLM endangered species program, particularly the $1 million increase in its appropriation in FY 1984. Unfortunately, the Administration has proposed to cut the BLM wildlife program from $13.5 million to $11.7 million. Most of this reduction -- $1 million -- is to come from the endangered species program. The remaining $900,000 cut would undermine BLM efforts to conserve "sensitive" species. The Administration thus proposes to reverse Congress' recent policy, as well as to undercut protection of our Nation's rarest wildlife and plant species.

NRDC and Defenders believe this action to be inconsistent with the BLM's obligations under the Endangered Species Act to carry out programs to conserve endangered and threatened species. The proposed cut -- more than one-third of the program -- would force severe reductions in on-going recovery efforts for the following critically endangered species:

- population monitoring and management for the black-footed ferret;
- studies of habitat use by the California condor;
- development of protective measures for the MacFarlane's four o'clock in Idaho and the Eureka Dunes evening primrose and dune grass in California.

Other endangered species currently benefiting from BLM conservation programs would also suffer from reductions in the following recovery efforts:

- surveys of winter roosts and improvements of winter habitat for bald eagle;
- habitat improvements for Lahontan cutthroat trout and Mohave chub;
- transfer of populations of the Gila topminnow and woundfin;

- maintenance of migration barriers to protect the Owens River pupfish;
- studies of effects of oil and gas development on the San Joaquin kit fox;
- protective measures for the desert slender salamander;
- studies of distribution and habitat use by the Sonoran pronghorn;
- studies of management impacts on the gypsum wild buckwheat
- population surveys for Knowlton's cactus, Mesa Verde cactus, and McDonald's rockcress.

The BLM manages portions of the habitats of about 80 endangered and threatened species, so the current programs described above represent only partial fulfillment of its obligation to conserve listed species. NRDC and Defenders would like to see more listed species included in the BLM recovery program, and thus oppose the Administration's proposal to reduce the program by over one-third.

In addition to already-listed species, the BLM is responsible for hundreds of other plants and animals requiring special management activities. Unless management plans are developed for species such as the desert bighorn sheep in California, Arizona, Nevada, Utah, and New Mexico; or the burrowing owl in Arizona, Idaho, and Montana, it is extremely likely that these sensitive species will become endangered. The same is true for several Coryphantha and Mammillaria cacti in Arizona and New Mexico as well as about 900 other plant species. The proposed $900,000 cut in BLM's general wildlife funds means these species requiring active conservation to prevent their becoming federally listed will not receive the attention they deserve. Funds are needed for inventory, habitat evaluation, and development of habitat improvement techniques and rangewide plans. This neglect may eventually result in larger budget needs in the future since managing listed species for recovery costs much more than early action that precludes the need for listing. Once a species is listed, of course, there are additional opportunity costs imposed by the constraints associated with Section 7 of the Endangered Species Act on land use managers, who must ensure that actions do not jeopardize the survival of threatened or endangered species or damage critical habitat.

The proposed reduction in funding for the BLM wildlife program and endangered species program will not only damage already endangered plants and animals, but increase the likelihood of further listings. To minimize the number of threatened and endangered species on BLM lands through recovery and preventive measures, NRDC and Defenders urge the return of wildlife program funding to $13.5 million, including $2.7 million for endangered species.

Sincerely,

Faith Thompson Campbell

Faith T. Campbell, Ph.D.
Natural Resources Defense Council

Ginger Merchant

Ginger Merchant
Defenders of Wildlife

STATEMENT OF SUSAN ALEXANDER, DIRECTOR OF ALASKA PROGRAMS, THE WILDERNESS SOCIETY

Mr. Chairman, I am Susan Alexander, Director of Alaska Programs for The Wilderness Society. The Society appreciates the opportunity to submit testimony to the Subcommittee on the effects of the FY85 Budget on Alaska's federal lands.

In 1980, Congress passed the monumental Alaska National Interest Lands Conservation Act (ANILCA, P.L.96-487). This arduously constructed compromise legislation was the culmination of over a decade of diligent study of Alaska's unique natural resources. The Alaska Lands Act represents a good effort to balance near-term development of the state's invaluable natural resources with long-term resource protection. However that careful balance has been skewed toward development in the implementation of the Act. We urge the Subcommittee to restore the balance by redirecting a considerable portion of the funds earmarked for development back toward resource protection.

The tone and direction for a statute are set in the first few years of its existence when its implementing regulations are put in place. Unfortunately, it was former Interior Secretary James Watt who was at the helm to set the course for the Alaska Lands Act. From the start of his tenure, which coincided with the early days of the Act, he pledged to use the budget to effect his policy decisions. Over the past three years, The Wilderness Society has testified before this Subcommittee on his successful efforts to funnel dollars and human resources toward development, while barely meeting the Act's minimum requirements for preservation. This pro-development bias continues in the FY85 budget and Secretary Clark has not expressed any intention to alter this pattern.

For the first two years of the Alaska Lands Act's implementation, the Interior Department provided a specific request for funds to implement the Act. The accounting made it possible to determine the comparative funding for resource protection versus resource development. Last year, the Department discontinued this practice, making it virtually impossible to analyze either the exact amounts of or the purposes for which funds are to be spent on implementation of the Act. The Wilderness Society again urges the Subcommittee to request such an accounting for FY85 and, in the future, ask that it be submitted with the Budget Justification. If the Department complies, I would appreciate the opportunity to submit further testimony on it. As a comprehensive analysis of the budget request is not possible, I will highlight some of the more apparent shortfalls and certain particularly significant problems.

Land Exchanges and Boundary Adjustments

The Wilderness Society is extremely concerned about the abuse of ANILCA's provisions for land exchanges (Section 1302) and boundary adjustments (Section 103(b)) to the detriment of Alaska's conservation system units. The Act specifically provides the Secretary with the authority to use exchanges and other means to acquire lands within conservation system units in order to carry out the purposes of the Act. However, numerous proposals have been advanced to use this provision to create new inholdings in direct violation of the intent of the Act. The most blatant of these was the exchange of designated wilderness lands on St. Matthew Island in the Bering Sea National Wildlife Refuge in order to allow the construction of a support facility for offshore oil exploration and development. The St. Matthew exchange is being challenged in court. The exchanges and boundary adjustments are proceeding, although comprehensive land management plans for the conservation system units are just beginning to emerge, in draft, from the agencies. In the absence of the plans, neither Congress nor the public can properly judge the wisdom, propriety and legality of the proposals.

We are aware of several proposals to the Fish and Wildlife Service and the National Park Service for similar potentially deleterious exchanges. Examples include:

* the Chugach Land Agreement which would transfer 371,000 acres from the Chugach National Forest, Wrangell-St. Elias National Park and the Alaska Maritime National Wildlife Refuge to the Chugach Native Corporation (CNI), which could not acquire 240,000 acres of the total without the exchange. Many areas of environmental and recreational concern will be transferred from the conservation system units in violation of the intent of ANILCA.

* significant acreage in the Cape Krusenstern National Monument would be transferred to the Northern Arctic Native Association (NANA) in order to facilitate the construction of a road through the monument for access to the Red Dog Mine.

* a native corporation seeks to acquire, by exchange, an island, owned by the FWS, in Dutch Harbor in the Alaska Maritime National Wildlife Refuge for potential port development.

ANILCA (Section 103(b)) also authorizes the Secretary to make minor boundary adjustments, up to 23,000 acres, for the "correction of clerical and typographical errors" or to "follow hydrographic divides or embrace other topographic or natural features." The Forest Service has proposed to use this provision to redraw the northern boundary of the Admiralty Island National Monument to exclude Greens Creek. The purpose would not be to correct any errors or to draw a more sensible boundary, but to effect a substantive amendment to Section 504 of the Act to give free rein to Noranda and other mining companies to explore and develop their claims, free of the limitations Congress carefully and explicitly applied in ANILCA. In Glacier Bay National Park, the NPS has proposed to redraw a boundary in order to increase the size of the preserve, thereby effectuating the controversial S.49 by allowing sport hunting in an area set aside by Congress as a park.

The Wilderness Society believes any exchanges and boundary adjustments which would result in the deletion of lands from conservation system units would violate the intent of ANILCA, be contrary to the public interest and deleterious to Alaska's fragile public lands. We urge the Subcommittee to focus their attention on these activities in order to uphold the integrity of ANILCA and protect Alaska's conservation system units.

National Park Service

The Alaska Lands Act designated 10 National Park Service areas and added acreage to the 3 existing parks for a total of 43.5 million new park acres. Since passage of the Act, these parks have suffered from inadequate funding and understaffing. These pernicious problems will not be corrected in FY85 by the administration's budget request.

The parks in Alaska constitute 65 percent of the total national park acreage (51.2 million acres in Alaska of a total of 79 million acres nationwide), but that 65 percent will receive only 3 percent of the total budget. On the average, the National Park Service is spending a mere 20 cents per acre on Alaska's parklands as opposed to $12.60 per acre on Lower 48 national park units.

The total budget proposed for the National Park Service in Alaska is $22,228,000, a $1,639,000 actual decrease from the FY84 budget and a $4 million total decrease in constant 1985 dollars since 1983 (assuming a 4.0 percent inflation rate for FY84 and FY85). Not only is funding not keeping up with inflation, but no effort is being made to compensate for the inequities and inadequacies of past funding. At least 23 FTEs and $2 million are needed for adequate management and maintenance of Alaska's parks. Of these 23 FTEs, 11 should be maintenance and visitor center personnel and 12 should be field researchers and resource managers. The top priority resource management needs of the NPS in Alaska are:

* Aniakchak: $100,000, 1 FTE to support resource management activities;
* Bering Land Bridge: $65,000, 1 FTE to monitor effects of reindeer grazing;

- Denali: $23,000, 1 FTE to monitor visitor use; $17,000, 1 FTE to monitor impacts on vegetation and prevent present and future damage; $179,000, 1 FTE for a wildlife biologist;
- Gates of the Arctic: $21,000, 1 FTE to monitor subsistence use; $100,000, 1 FTE for a district ranger at Anaktuvuk Pass to monitor off-road vehicle access;
- Kobuk Valley: $45,000 to support resource management activities;
- Noatak: $114,000, 1 FTE for a district ranger;
- Yukon-Charley Rivers: $120,000, 1 FTE for a district ranger in Circle to monitor the impacts of mining and subsistence use;
- Glacier Bay: $8,000 to support resource management activities.

Last year, The Wilderness Society strenuously opposed the proposed elimination of the bus system in Denali National Park. For FY85, $1,060,000 is requested, $500,000 less than the FY84 appropriation, in expectation of a concessioner assuming responsibility for the system in 1985. The concessioner would be allowed to charge a fee to cover part of the cost of the service, making Denali the only park which charges for its bus service. The budget proposal fails to provide the estimated fare or an analysis of the anticipated impacts on visitation and on the park resources. The Wilderness Society strongly supports the continuation of the bus system and the continued closure of the park's road to private cars. Furthermore, the service should be provided free of charge as it is an effective and cost efficient tool to protect the park's natural resources as well as a means to provide convenient visitor access to the park.

We strongly urge the committee to appropriate at least $2 million from the Land and Water Conservation Fund for the acquisition of inholdings which are found throughout all Alaska's conservation system units. The $500,000 requested under land acquisition are, in fact, budgeted exclusively for land exchanges. Inadequate funding now, when there are many opportunities to purchase land relatively inexpensively, will result in significantly increased acquisition costs later. Of greater concern is the increasing likelihood of real estate development within the parks and other conservation system units. For example, the owner of 20 acres at the mouth of Chitistone Canyon in the Wrangell-St. Elias National Park and Preserve wanted the land preserved and offered his property to the Park Service. For lack of funds, his offer was rejected. The result was the sale of the inholding to a real estate developer for $140,000. To make matters worse, this particular soon-to-be-developed inholding lies at a major focal point of visitor interest and activity, at the head of one of the most spectacular trails in the country.

Bureau of Land Management

As with the parks budget, the total FY85 budget for the Bureau of Land Management is being reduced significantly (by $2,764,000 in actual dollars) from its already inadequate FY84 appropriation at a time when BLM is supposed to be preparing land management plans.

Attached is a chart that demonstrates the alarming trend away from conservation toward energy and minerals development. A 12 percent increase in funds, since FY83, for energy development along with a 51 percent decrease in funds for renewable resources and a 23 percent decrease in planning funds mean that energy development is proceeding, though the decisions to develop were made without adequate information to assess the environmental impacts of that development. The most blatant examples are the Steese NCA and the White Mountains NRA draft management plans, due in 1985. BLM intends to open the areas to new mineral leasing and development, though the plans explicitly state such activity will have serious adverse effects on recreation, wildlife and water quality. Furthermore, no funds are requested for management of the existing or new mining, nor are adequate funds requested for the management of the areas themselves. Specifically the Alaska Office requested, and requires, $400,000 more than they received in order to fulfill their wildlife management duties.

Finally, zero funds are requested for wilderness. The Alaska Lands Act exempted Alaska from the Section 603 wilderness review requirement of the Federal Land Policy and Management Act (FLPMA), but Congress clearly provided authority for wilderness to be considered in planning for Alaska's BLM lands. The Wilderness Society urges the Subcommittee to add $2 million, or redirect it from the funds requested for energy development, to the planning and renewable resources budgets for FY85, so that BLM can fulfill its preservation as well as its development duties. A portion of this amount should be allocated for BLM to recommend areas for wilderness designation and to consider wilderness in their routine planning process.

Fish and Wildlife Service

The Alaska Lands Act designated 16 National Wildlife Refuges for a total of over 76 million acres which, from the outset, have been inadequately funded. For example, a cost estimate done by the Congressional Budget Office for H.R. 39 (House Report 95-1045, Part II, p. 99, May 4, 1978), which would have added approximately 76 million acres of refuge lands, states that $56 million would have to be spent on operations and maintenance alone during the fifth fiscal year after passage of H.R.39. However, the total FY85 Operations and Maintenance budget for Alaska refuges is only $13,935,000. Of that total, $10,141,000 will be spent by the individual refuges. A fraction of the $3.8 million remainder will go to the Anchorage refuge staff and only $1.55 million of that $3.8 million will be used for refuge planning (Comprehensive Conservation Planning). The clear intent of Congress was that passage of ANILCA would substantially increase the FWS budget. However the total budget for the FWS in Alaska ($29,362,000) does not begin to approach the CBO estimate for the operation and maintenance of an additional 76 million acres, even allowing for differences between H.R. 39 and the Act as passed.

Although the FY85 Operations and Maintenance budget shows an increase of $413,000 over the FY83 budget, in fact it has declined by $365,000 or 4.5 percent in constant 1985 dollars (assuming a 4.0 percent inflation rate for FY84 and FY85). National wildlife refuge lands in Alaska are 85.5 percent of the total National Wildlife Refuge System. Yet the amount requested for the refuges in Alaska is only 13.8 percent of the total funding for refuges in FY85. On the average, refuges in Alaska receive only 13 cents per acre while those in the Lower 48 receive $5.97 per acre.

As the FWS has repeatedly testified, one cannot really compare Alaska's budget or staffing patterns with Lower 48 refuges which require intensive management and receive far greater use by the public. However this explanation simply cannot account for the gross disparity in expenditures for Alaska as compared to the Lower 48. This spending gap is found even when one compares Alaska refuges with big western refuges which require similar types of broad-ecosystem management, e.g. Nevada's Desert National Wildlife Refuge would receive 21 cents per acre, while Yukon Flats would receive a mere 5 cents per acre in FY85. In contrast to Yukon Flats, the similar waterfowl producing refuges in North Dakota (1,263,422 acres) would receive $10.68 per acre. We strongly urge the Subcommittee to add at least $5 million to provide the minimum necessary for adequate planning and resource management of Alaska's refuges.

A component of the chronic problem of insufficient funding for the refuges in Alaska is the lack of personnel. On the average there is at best one FTE for every 685,241 acres in Alaska compared to one FTE for every 86,026 acres of refuges in the rest of the country. During FY85, wildlife refuges in Alaska will have fewer FTEs per acre than national parklands in Alaska (which are also understaffed). At the same time these refuge lands will be subject to increased development in contrast to the more protected parks. For example, the Arctic National Wildlife Refuge is currently suffering increased adverse environmental impacts from seismic exploration, in part, because of the dearth of refuge personnel to supervise these activities.

It is evident that preservation and management of Alaska's public lands are being severely underfunded. The Wilderness Society urges the Subcommittee to rectify the continuing inequities by making significant additions to the Administration's budget request.

Appendix

The Funding for Lands and Resources Management Since FY83 in Actual and 1985 Dollars (Assuming a 4.0 percent Inflation Rate for FY84 and FY85)

Program	Proposed FY85	FY84 Appropriation (1985 Dollars)	FY83 Appropriation (1985 Dollars)	% Change Since FY83
Renewable Resources	$2,019,000	$2,946,000 ($3,063,840)	$3,850,000 ($4,158,000)	- 51%
wildlife	$700,000	$705,000 ($733,200)	$828,000 ($894,240)	- 22%
recreation	$325,000	$362,000 ($376,480)	$618,000 ($667,440)	- 52%
soil, water, air	$233,000	$298,000 ($309,920)	$252,000 ($272,160)	- 14%
reindeer	$204,000	$223,000 ($231,920)	$236,000 ($254,880)	- 20%
cultural	$185,000	$205,000 ($213,200)	$220,000 ($237,600)	- 22%
forestry	$95,000	$95,000 ($98,800)	$90,000 ($97,200)	- 2%
wilderness	0	0	0	- 0%
	(Not all components of renewable resources budget shown.)			
Energy and Mineral Mgmt.	$5,980,000	$5,474,000 ($5,692,960)	$4,946,000 ($5,341,680)	+ 12%
Planning & Data Mgmt.	$1,991,000	$2,044,000 ($2,125,760)	$2,402,000 ($2,594,160)	- 23%
Lands and Realty Mgmt.	$11,391,000	$12,470,000 ($12,968,800)	$12,601,000 (13,609,080)	- 16%
Cadastral Survey	10,290,000	$11,819,000 ($12,291,760)	$9,134,000 ($9,864,720)	+ 4%
Technical Services	$1,388,000	$1,359,000 ($1,413,360)	$1,490,000 ($1,609,200)	- 14%
General Admin.	$3,477,000	$3,309,000 ($3,441,360)	$3,490,000 ($3,769,200)	- 8%

Data from BLM Budget Justification and Congressional District breakdown of funding request.

STATEMENT OF THE NATIONAL ASSOCIATION OF COUNTIES

The National Association of Counties* appreciates the opportunity to present our views on two programs of critical importance to public lands counties throughout the country. These are the Payments-in-Lieu-of-Taxes (PILT) program and the Forest Service 25% receipt-sharing payments.

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* The National Association of Counties is the only national organization representing county government in the United States. Through its membership, urban, suburban and rural counties join together to build effective, responsive county government. The goals of the organization are to: improve county government; serve as the national spokesman for county government; act as a liaison between the nation's counties and other levels of government; achieve public understanding of the role of counties in the federal system.

Payments-in-Lieu-of-Taxes (PILT)

Elected county policymakers represent 204 million Americans--90 percent of the total American population. In the majority of states, counties provide essential health, social service and public safety programs. For example, we provide airport services in 25% of all counties, and fire protection in 33 percent. Hospital services are provided by 33 percent; landfills are a county responsibility in 45% of all counties. Thirty-three percent of the counties provide nursing home care. In fact, counties operate 70% of the total public hospitals and 82% of the total number of public nursing homes. These services are only a partial listing of the myraid of public services county governments deliver.

Counties need the financial resources to provide these essential services. Vast holdings of tax-exempt federal lands, particularly in the west, deprive counties of a viable tax base from which to raise revenues to fund county services.

In the west, federal land ownership is pervasive. For example, Hinsdale County, Colorado, is 96% federally-owned; Gila County, Arizona, is 97%; and Kane County, Utah, 92%.

While federal land ownership is often perceived as a western issue, many eastern counties have large concentrations of public lands. Some examples are: Swain County, North Carolina, 70%; Cook County, Minnesota, 72%; and McCreary County, Kentucky, recently went from 61% to 80%.

Enacted in 1976, the PILT program provides minimum payments to local governments to partially compensate them for the tax immunity of federal natural resource lands. These lands are: National Forests and Grasslands, National Parks, wilderness areas, Bureau of Land Management (BLM) Lands, Corps of Engineers and Bureau of Reclamation Lands, and inactive Army Reserve Lands. PILT payments go to over 1600 counties nationwide.

Counties budget for and place PILT payments in their general funds, to be used in the same way as property tax revenues to provide governmental services. In many counties in the west, PILT payments comprise over 50% of their general fund operating expenditures.

It would be virtually impossible for these counties to find alternative sources of funding to provide services if the PILT program suffers any reductions.

We support the Administration's proposal to provide $105 million for PILT for fiscal 1985. This is the same level appropriated by Congress for fiscal 1984, and we greatly appreciate both the Administration and Congressional commitment to the PILT program.

Counties are particularly aware that the leadership of this Subcommittee and its Chairman has been instrumental in Congress in keeping the program operating and viable year after year.

This level will help counties keep pace with inflation. The U.S. Department of Commerce, in the Implicit Price Deflator for State and Local Purchases, estimates that the inflation rate for local governments between 1982 and 1983 was 6.2%. Thus, for counties the cost of providing essential services is now more expensive.

We have mentioned some examples of the large spectrum of services counties must provide, regardless of tax base. Tax-exempt public land places an additional burden on counties who must also provide services to these lands and to the citizens who use them.

Increased federal lands activities are requiring more local law enforcement, road maintenance, fire protection, health and hospital services, and other local services demanded by the users of federal land. And these costs can be high. Search and rescue is a critical, life-saving service for those who use the public lands. For example, Clackamas County, Oregon, provides services to Mt. Hood National Forest, located within the county. In 1982, one search and rescue operation instituted by the county on Mt. Hood cost $24,000.

Further, national park visits nationwide have been at record levels, hitting 300 million in 1981. The strain that such an influx of people puts on limited county resources is considerable. While these visits do generate revenue, it is not sufficient to cover the cost of services.

In addition, providing county services in the west is more costly than in other regions of the country, because of the vast distances and isolated character of federal lands.

Counties cannot easily raise property taxes on their private lands to compensate for the tax-exempt presence of federal land. Twenty-six states have some form of revenue increase limitation in effect.

We hope that the Subcommittee will adopt Administration's recommendation of $105 million for PILT for fiscal 1985. PILT is a resource return directly to the counties and operates with less than one percent overhead.

PILT is not a categorical grant program or a giveaway. As a large property owner, the federal government is being asked to assume the responsibilities of any other landowner within a county to pay its property taxes. NACo cannot emphasize strongly enough how integral this program is to over 1600 county governments. We believe it only equitable that the country's largest landowner should continue to use the PILT program to compensate for the fiscal disparity this creates.

National Forest Payments

Under federal law, 25% of the gross receipts generated from activities on the national forest system lands are returned to the counties in which the forests are located, to be used for schools and roads.

In the 1985 Budget the Administration stated that it will be transmitting a proposal to Congress to change the 25% to a tax equivalency basis. This proposal is currently being developed within the U.S. Forest Service, which is consulting with NACo while it develops the proposal. The Forest Service has also told us they will publish the proposal in the Federal Register before they transmit it to Congress.

We appreciate the efforts of the Forest Service in consulting with counties. However, NACo has some serious concerns on what the impacts of the final proposal will be.

I. Roads

In the 1985 Budget, the Administration projected that the proposal would result in an overall decrease of $22 million or 14% in the national forest payments going to counties in fiscal 1985. While the Administration has told NACo that these figures were premature, the fact that a reduction was projected indicates that the final proposal will result in a permanent overall reduction in national forest receipts.

Counties are extremely concerned that these reductions will seriously impede their ability to maintain county roads and brides, which support timber operations in the national forests.

The U.S. Forest Service shares county concerns on local road programs. In 1981, the chief of the U.S. Forest Service testified before the Subcommittee on Forests, Family Farms, and Energy of the House Committee on Agriculture on legislation affecting the allocation of the receipts between schools and roads. He said:

> "We are also concerned about the need to maintain a strong road program in those counties where the National Forests are located. The counties' program directly compliments that of the Forest Service, providing access for the public using National Forest areas and serving the private landowners who live within and adjacent to the National Forest boundary. The counties' contribution to the overall road network is a key to public use, harvesting of timber, and management of other resources of the forests. A substantial redistribution of receipts. . .could have an adverse impact on National Forest programs."

Road maintenance and upkeep is vital, especially in rural areas. As the Forest Service has pointed out, the county roads are critical to those forest activities that generate the national forest receipts, and bring revenues into the U.S. Treasury. County roads are also heavily affected by the increasing energy development in states like Wyoming and Montana, and are necessary for oil and coal production. These states rely on their forest receipts to build and maintain roads to keep pace with this production. Since the Administration wants to increase federal energy activities, it is in its interest that the roads supporting these activities are maintained.

In the context of national infrastructure needs, counties cannot afford to lose any funds for road building and maintenance.

On February 24, 1984, the Joint Economic Committee released recommendations of its National Advisory Committee on Infrastructure. In testimony before the Joint Economic Committee, the director of the infrastructure advisory committee said, "Highways and bridges will continue to dominate basic infrastructure expenditures and needs." He said that more than half of the nation's two million miles of paved roads require early attention. He stated that bridges are also a problem, and nearly 45% are deficient and/or are obsolete. In 34 states, at least a third of the bridges require substantial improvement.

He said, "Over $700 billion will be required to maintain a decent highway and bridge system through the year 2000. Even with recent gas tax increases, the shortfall will be $265 billion."

It has been recognized that a large portion of these funds will need to go into rehabilitation, resurfacing, restoration, and reconstruction of existing road systems. Reports prepared by the U.S. Department of Transportation indicate that the rate of highway deterioration is outpacing highway repair.

We can see these national figures reflected on the local level. For example, the governor of Montana recently created an infrastructure committee. The committee has estimated that $25 million in revenues is needed to put the existing roads and bridges in the system in adequate condition. In 1983, Montana counties received $4.5 million in national forest receipts, and most of these counties can still only afford to carry out minimum maintenance.

The vice-chairman of the Joint Economic Committee, in releasing the national infrastructure, study said that local infrastructure is a critical factor for attracting industry and jobs into an area.

Thus, the condition of the roads in national forest counties and the ability of those counties to maintain the roads becomes essential to the economic survival of those counties. In many national forest counties the sawmill is the most important or single employer. While the timber industry in the northwest has begun to recover from a serious recession, in the early 1980's unemployment in the forest products industry throughout the west was at near record levels, 30-34% in the region.

If the Administration proposal permanently reduces national forest receipts to the counties, many local governments would not be able to make up the losses from taxes on their private lands. County officials in Oregon, Idaho, Wyoming, and Montana, for example, have all emphasized the difficulty of raising road revenues through taxes if they suffer losses under the Administration proposal. Idaho has imposed a revenue tax freeze since 1978 with the One Percent Initiative. To make up road fund losses, Idaho counties would have to curtail or eliminate other county levies, several of which are mandated.

In Wyoming and Montana there is an overall limitation on county mill levies. In Montana, almost all of the 56 counties are currently at the maximum road mill levy, and the state legislature keeps rejecting even small increases. Oregon has a 1.5 percent limitation on local budget increases.

In addition to its affect on the timber economy of a county, reductions in road funds could lead to county unemployment. Forestry is the backbone of the Oregon economy, with national forests in 31 out of the 36 counties. The forest payments comprise the substantial majority of road funds. The Association of Oregon Counties predicts that hundreds of people in county public works departments could lose their jobs if road funding is reduced. This could also happen in other states. The commissioners of Boundary County, Idaho, have stated that if the forest payments are reduced "we would not even be able to open the doors of the road and bridge department."

Thus, permanent reductions in forest receipts would have an impact far beyond the schools and roads, and could affect the timber industry, local economies, county employment, and even Forest Service management.

II. Tax Equivalency

The Administration has stated that a change to tax equivalency would provide more stability to county budgets than the present system, which fluctuates with the economic cycles of the timber industry.

Since these lands are tax-exempt, theoretically a tax-equivalency payment would seen to be the most rational and equitable basis to compensate local governments. However, in practical application it appears that such a system would be difficult and expensive to administer, with the additional burden falling on either the federal or local government. Further, while a tax equivalency might seem to ensure greater stability for county budgets, a closer look will show that the 25% payments actually accommodate economic fluctuations.

(A) Application

Under a tax equivalency approach, national forest payments would equal the local taxes that would be paid on national forest land if it were in private ownership.

Tax equivalency depends on different legal tax provisions among the states. There is no standard or uniform method of either valuation or taxation of forest land applying among the states. Not only do methods vary from state to state, but from county to county within the same state. To implement an accurate and equitable nationwide system, the Administration will have to account for and incorporate the significant variations by state and by county.

(1) State Taxes

Four states apply a severance tax to timber. Fifteen states apply a yield tax on the value of the timber harvest. Use value assessment or other restrictions to full market assessments apply in 27 states to either the assessment of forest land or of the standing timber, or both. In 13 of the 27 states, the differential assessment is provided only upon the approval of an application.

The value of forest land or of the forests is wholly or partially exempt from property taxation in 16 states. Frequently, the exemption is available only by contract or upon application to the state.

State valuation standards (ratio of assessed to full market value) vary from 15% to 100% of fair market value. Also, five states vary the standard between classifications of property.

Differences among states in the application of tax laws to forest lands hinge in some instances not on the characteristics of the land but on whether the owner agrees to engage in certain management activities. For example, both Washington and Oregon give this as the rationale behind the severance tax in those two states. It is not the true value of the timber cut. And both states provide certain exemptions under the severance tax.

Further, in both Washington and Oregon, the value of the timber cut varies from the west to east side of each state, and is different for douglas fir, hemlock, and pine.

National Forests also contain land that is not commercial forest land, and a tax equivalency approach based upon taxing commerical timberland would not be applicable for all national forest lands. The national forests also contain wilderness, non productive forest lands, wildlife habitats, and grazing land. The U.S. Forest Service would also have to examine how states tax these types of non-commercial timber lands. Further, commercial timberland may be checkerboarded with other types of forest land and other uses.

(2) Local Taxes

Tax equivalency based on the local property tax provides even greater uniformity and equity problems. While counties within the same state tax differently, there are also separate primary assessing jurisdictions within the counties. The Bureau of the Census estimates that there are about 81,000 local government units nationwide: 3,000 counties; 17,000 towns and townships; 18,000 municipalities (cities and villages); 21,000 special districts; and 21,000 school districts. Most of these have some measure of broad general purpose authority, including taxing authority.

Starting with the county level, the forest land variations within states can be significant. The ratio of the low county to the high county, for example, is 1:32 in California, 1:14 in Idaho, and 1:11 in Nevada. In Washington, taxes in the county with the highest per acre revenue are 69 times higher than they are in the county with the lowest per acre revenue.

In Oregon, local tax rates for timber vary from year to year so counties cannot plan their budgets on a long range basis. Until 1977, timber on the west side of Oregon was taxed on an ad valorum basis. After 1977, when the state legislature imposed a severance tax on west side timber, counties could only tax the bare land. But the bare land values are set on a yearly basis by the state legislature, and they change from year to year. This hardly makes for revenue stability.

Further, the state of Oregon has been tied up in the state tax court since 1977 in suits arising from the assessment of forest land values in western Oregon.

In many states, national forests encompass two or more counties, and those counties may each have completely different taxing schemes. Further, national forests also cross state lines. For example, the Umatilla National Forest covers seven counties in Oregon and four in

Washington. The Siskiyou National Forest encompasses one county in California and three in Oregon. The Kaniksu National Forest is in both Washington and Idaho. If the U.S. Forest Service bases payments for all the counties within a national forest that crosses state lines, would it be able to arrive at an equitable payment for every county. Which state or county system would the payment be based upon?

Finally, we have mentioned the proliferation of taxing districts. There are 13 national forests throughout 31 of Oregon's 36 counties with 1,470 taxing districts. How will the U.S. Forest Service deal with that situation, which exists in most states?

Other questions arise. Would the Forest Service be bound by the revenue increases limitations applicable in so many states, like Proposition 13 in California or the One Percent Initiative in Idaho. Clearly local taxes reflect these limitations, which makes it far more difficult to assess a true tax equivalency. And the limitations vary from state to state, including exceptions.

(3) Administrative Costs

With federal administration of a tax equivalency program, each issue in valuing public land would bear on the administrative cost and on the exactness of the tax equivalency calculation.

The Advisory Commission on Intergovernmental Relations (ACIR) in a 1978 study examining, in part, the national forest tax equivalency issue said "the administrative costs of estimating value would be high."

Presently, three counties in the Boundary Water Canoe Area, part of the Superior National Forest in Minnesota, receive national forest payments based on tax equivalency. The assessment is carried out every 10 years. As of 1977 the assessment was calculated to cost 10¢/acre.

In its 1985 RPA Draft Environmental Impact Statement, the U.S. Forest Service stated, "National forests and grasslands comprise about 191 million acres . . ." Thus, if the 1977 cost of assessing tax equivalency for the Boundary Water Canoe Area is applied to this figure, the cost would be $19 million.

However, it would probably be more expensive, as the Boundary Water Canoe Area situation only involves three counties in one state. The U.S. Forest Service must look at all national forest counties throughout the country, with the vast local and state tax variations that analysis entails.

Even if the Forest Service's administrative costs are currently unpredictable, they would probably decrease any savings to the U.S. Treasury in switching from a 25% to a tax equivalency payment.

If these costs were passed on to the counties, it would reduce their national forest payments and seriously impede their ability to provide support services to the national forests.

It is even more difficult to arrive at accurate estimates where national forest land--commercial timberland or other--could have a significantly different use in private ownership or where federal land imparts certain benefits or detriments to surrounding private land. Adjustments would have to be made for these factors.

B. Economic Stability

Timber operations in the national forests generate the major portion of revenues and the resulting receipts. Thus, fluctuations in the timber economy are directly related to the level of payments to the counties.

The Administration states that a tax equivalency payment would provide greater stability for counties, and protect them from these fluctuations.

The present system has worked since 1908 because timber industry needs for local infrastructure support fluctuate with the level of their operations--more in boom cycles, less in bust cycles.

A large number of timber producing counties, by virtue of higher elevations, experience severe winter weather conditions of heavy snowfalls and freezing temperatures. These conditions combine with the pressure of heavy log loads and create costly road maintenance problems. The volume of logs transported has a direct bearing on the extent of maintenance and construction as well as maintenance and replacement of road equipment. Thus in boom-cycles-periods of high timber harvest and increased log transport volume-road maintenance will be more costly and counties will need higher forest payments. In a sluggish timber economy, with less pressure on the roads, the county need for forest payments will correspondingly decrease.

These needs will vary from county to county. It would be difficult to devise a national tax equivalency system that is so tied into timber operations in each national forest county as the present system.

The Administration has stated that the new system will contain a floor beyond which payments will not fall. Further, while some counties will get increased payments, many will see their payments reduced. A floor on the bottom end and a ceiling on the top end may bear no relation to the economic fluctuations occurring in an area. Therefore, we question whether the new proposal will truly protect counties and provide any real stability.

III. Forest Service Management

The harvest, management, and long-term policies on the national forests are of great importance to counties.

However, while reducing overall payments to counties in switching from a 25% to tax equivalency basis may result in a small savings to the U.S. Treasury, we do not see how it will enhance the management of national forest resources.

Funding for U.S. Forest Service programs comes primarily from appropriations. Those revenues not earmarked by statute for specific purposes, like payments to the counties, go into the U.S. Treasury. They are not directly recycled into forest management programs, as they are under the Oregon and California Grant Lands program.

We fail to see where a 14% savings (based on the 1985 Budget projections) to the U.S. Treasury bears any direct relationship to overall forest management, or how it would enable the Forest Service to increase timber sale offerings.

Conclusion

NACo hopes that these concerns will be addressed by Congress and the Administration. We appreciate the opportunity to work with both on this program of vital importance to national forest counties.

STATEMENT OF JACK A. BARNETT, EXECUTIVE DIRECTOR, COLORADO RIVER BASIN SALINITY CONTROL FORUM

The Colorado River Basin Salinity Control Forum members, appointed by their governors, represent the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming. The objective of the Forum is to provide a basin-wide coordinated approach to controlling salinity of the Colorado River such that salinity concentrations can be maintained at acceptable levels while the states develop their compact apportioned waters. Most of the gubernatorial appointed members of the Forum are from water resource and water quality agencies of state governments. Their names are listed on this letterhead.

The seven Basin states are united in presenting this statement in support of appropriations to implement Title II of Public Law 93-320, the Colorado River Basin Salinity Control Act. This basin-wide program will benefit 15 million U.S. citizens using Colorado River water.

The Colorado River Basin salinity control program is a very unique effort which brings the cooperative efforts of the seven Basin states and their many subdivisions and the federal government and many of its agencies and bureaus together. It has been agreed by the states, the Administration, and the Congress that it is essential to maintain the salinity level on the River at or below the 1972 levels. The strategies for accomplishing this have been authorized by the Congress and the cooperative basin-wide approach has stood court tests.

To maintain the salinity concentration at the 1972 levels, about 2 million of the approximate 9 million tons of salt reaching Lake Mead each year must be removed. Salt removal programs will need to be implemented within the next two decades. The majority of the land in the Basin is managed by the Bureau of Land Management and is owned by the federal government. It is essential that the Bureau of Land Management play an ever increasing and important role in salinity control activities for these water quality criteria to be met. The Department of Interior has determined that, even though the Bureau of Reclamation has been given a lead role of salinity control, there should be separate funding for the Bureau of Land Management activities specific for their use and appropriated by this subcommittee.

The Administration's budget recommends $11,322,000 for funding of the activities within the Soil, Water, and Air Management program which is part of the Renewable Resource Management area. In this current fiscal year, the Bureau of Land Management has $16,594,000 available as appropriated by the Congress. The cuts proposed by the Administration in this particular area are most significant and damaging to this valuable program. The proposed level of funding for FY 85 is only 68% of the funds provided in FY 84. This will result in major cuts in the Soil Project Implementation area, the Soil and Water Inventory area, and the Soil and Water Studies. This will result in the Bureau of Land Management only being able to do a minimal amount of work, maintain and/or lose talented staff that has been assembled, and accomplish on-land improvements only in areas where there is found to be unsafe or hazardous conditions to human health and property.

The Bureau of Land Management has been studying the salt contributions to the Colorado River from public lands for a number of years. These contributions are significant and it has been determined that some of the most cost-effective ways of controlling salinity in the Colorado River is by on-land treatment opportunities available to the Bureau of Land Management.

The Bureau of Reclamation and the Department of Agriculture are expending significant amounts of money, time, and personnel talents on salinity control. The opportunities for salinity control by these two agencies are many, but, in most cases, the reduction of salt is more costly than these on-land practices that could be implemented by the Bureau of Land Management.

In addition, the Bureau of Land Management has recently been studying a high saline seep in a valley in western Colorado referred to as Sinbad Valley. They have identified that the saline waters can be disposed of by injecting them into an abandoned oil well or by evaporation. This disposal of saline waters also appears to be one of the most cost-effective options now available to federal agencies. In addition, the Bureau of Land Management has identified geographic areas where special on-land salinity control efforts can reduce salt contributions from Federal land to the river system.

We, therefore, urge the Congress to restore the level of funding in this most important program to the 1984 levels and to add a special line item in the amount of $331,000 so that the Sinbad Valley Unit can move ahead without delay.

LETTER FROM FAITH T. CAMPBELL

March 23, 1984

The Honorable James McClure
Chairman, Subcommittee on Interior
Committee on Appropriations
U.S. Senate
Washington, D.C. 20210

Re: Fish and Wildlife Service Appropriations

Dear Senator McClure:

The Natural Resources Defense Council, Inc. (NRDC) a public interest organization of 43,000 members and contributors, asks that this letter be included in the record of the Subcommittee on Interior's hearings on the FY 1985 appropriation for the Fish and Wildlife Service. NRDC believes that the Administration's proposals, while improvements over past years, still fall short of allowing the Fish and Wildlife Service to carry out the Endangered Species Act's (ESA) mandates in FY 1985. Therefore, NRDC asks that the Subcommittee support the following increases in appropriations.

The listing process is the foundation of efforts to protect species which qualify as threatened or endangered. A greater effort to list rare species, especially plants, for federal protection is needed. We recommend an increase in the FY 1985 budget for Fish and Wildlife Service listing activities to $4 million.

The Convention on Nature Protection and Wildlife Preservation in the Western Hemisphere (Western Hemisphere Convention) came into force in 1942 to stimulate protection of native flora and fauna in their natural habitats. Under the Convention, FWS has conducted annual courses on the function and management of wildlife refuges and a workshop on conservation of migratory birds; provided valuable technical publications; studied marine turtles in Costa Rica and Mexico; promoted a primate management program in Peru; and jointly with The Nature Conservancy, identified areas of high plant diversity as a basis for future park establishment and other preservation efforts. In 1985, FWS plans the establishment of a Cooperative Unit in Latin America to teach wildlife management at the graduate level.

The National Park Service (NPS) has much to offer under the Western Hemisphere Convention, but is hamstrung by lack of funds. At the present time, NPS can undertake a project in Latin America only when some other institution picks up the costs.

The demand for NPS technical assistance is evidenced by the several projects which the Service has carried out despite these circumstances. Conservation organizations, several U.N. agencies, and the countries themselves have paid for costs of two workshops for senior environmental interpretors, curriculum design and instruction at Argentina's national park service training center, and early work on a park management plan in Columbia. NPS has many requests for similar projects that it cannot fulfill, however, due to the complete absence of funds. Three workshops on park management techniques, updating a bibliography on wildland management, and developing management plans for national parks in Columbia and Montserrat would cost only $44,000.

The NPS can utilize employees who formerly were Peace Corps volunteers in Latin America and the Caribbean and thus are familiar with the region's languages and culture. Virtually all the training programs, for example, are conducted in Spanish.

NRDC urges the Subcommittee to appropriate $300,000 for implementation of the Western Hemisphere Convention. Report language should enable the NPS to draw a fair share of this appropriaton for its vital component of the program.

Under Section 8 of the ESA, the FWS and NPS assist biologically rich India and Pakistan to conserve species and their habitats. Indian and Pakistani personnel are trained in environmental education, wetlands ecology, and zoo operations. In addition, four major five-year projects in India research endangered species and their habitats, including the wintering grounds for the endangered Siberian crane. This important work is financed by excess foreign currency -- rupees -- and it does not cost the U.S. taxpayer or add to the deficit. Their use must be approved by Congress in the Appropriations process.

We urge the Subcommittee to give the FWS authority to use about $5 million excess foreign currency over the next 5 years. The NPS should receive authority to draw about $500,000 in FY'85 to complete certain projects.

Pursuant to the Cooperative Agreements under Section 6 of the ESA 39 states research and take actions to increase populations of a variety of endangered species. Many states use these federal funds to support peregrine falcon hacking sites critical to their recovery; and surveys on bald eagles, wolves, caribou, desert tortoise, and grizzly bears to determine population densities, distribution, and habitat information. Eleven states use cooperative agreement funds for protection of endangered plants. This information is crucial to protecting endangered species from further disturbance.

Dependent on funds from hunting, fishing and trapping licenses, the states often cannot conduct endangered species studies without seriously reducing game management projects. Nevada notes that the large number of federally listed species in the state precludes even inventories, much less recovery effort.

We ask that the Subcommittee appropriate $4 million for Section 6 funding as proposed in the FY '85 budget.

The Administration proposes to use $14,550,000 of the Land and Water Conservation Fund in FY '85 for purchasing land to aid endangered species. Adequate funds, however, have not been provided for protection of several other species faced with habitat loss, including the critically endangered Florida panther and Key deer.

No money has been provided in the 1985 budget for the Coachella Valley fringe-toed lizard. Appropriation of $5 million would enable the Nature Conservancy to establish a preserve that would protect the lizard and a significant amount of undisturbed desert habitat, while still allowing development to proceed elsewhere in the Valley.

We also support immediate acquisition of the Hudson Ranch in the southern San Joaquin Valley. Almost all of the surviving California condors feed on the ranch and adjacent foothills during late summer and fall. If this land is not purchased, it will be subdivided into small ranchettes, incompatible with continued condor presence.

NRDC urges increasing appropriations for endangered species in the Land and Water Conservation Fund to $41.7 million to complete proposed 1985 projects and these and other high priority additions.

The Natural Resources Defense Council appreciates this opportunity to express its views on the important endangered species program. We look forward to working with the committee.

Sincerely,

Faith Thompson Campbell

Faith T. Campbell, Ph.D.

STATEMENT OF JOHN GHERINI, GHERINI RANCH, SANTA CRUZ ISLAND

Preface. This statement sets forth the reasons we feel Congress should appropriate funds for the immediate, total acquisition of the Gherini Ranch on the east end of Santa Cruz Island.

The Gherini Ranch has been effectively blighted for private use for the last four years by the adoption of the Channel Islands National Park Act, Public Law 96-199, and prior to that time was under threat of federal acquisition for several decades. The ranch is owned by four members of the Gherini family, all of whom are now of advanced age. The impact if any of them dies prior to the acquisition of the property will be disastrous, since they will be otherwise unable to fund estate taxes which will then accrue. The property's natural harbors and its proximity to the mainland make it the most desirable portion of the Channel Islands for immediate park development. Although Public Law 96-199 accords "priority" to the acquisition of Santa Rosa Island, this priority was not intended to foreclose acquisition of other properties for the park which could be readily acquired. These considerations are set forth in more detail in the balance of this statement.

The Channel Islands National Park. By the adoption of Public Law 96-199 in March, 1980, Congress established the Channel Islands National Park. The park, which consists of five islands off the California coast, was created in order to "protect the nationally significant natural, scenic, wildlife, marine, ecological, archeological, cultural and scientific values" found on those islands. The largest of the islands is Santa Cruz Island, where the Gherini Ranch is located. Public Law 96-199 directed the Secretary of the Interior to acquire for park use the privately owned properties within the park boundaries.

The total area designated for inclusion in the Channel Islands National Park is approximately 250,000 acres. Of this total, approximately 114,000 acres are privately owned. Substantially all of the privately-owned property is located on Santa Cruz Island, with an area of 60,645 acres, and Santa Rosa Island, with an area of approximately 52,794 acres.

The Gherini Property. The eastern portion of Santa Cruz Island, consisting of approximately 6,380 acres, is owned by the Gherini family and operated as a sheep ranch. The Gherini Ranch property will be a substantial asset to the park. According to a preliminary study of the area done by the National Park Service several years ago:

> "...the eastern end of Santa Cruz Island [the Gherini Ranch property] offers potential for moderately high levels of visitor use because of its easy access from the mainland, its safe anchorages, its varied terrain, and the fact that extensive grazing has apparently restricted sensitive native vegetation and wildlife to the canyons and to the rugged mountain terrain. Santa Rosa Island offers similar opportunities for visitor use, but because of its distance from the mainland and fewer safe anchorages, it might not be visited by as many people."

Special attention was given in this preliminary study to two areas in the Gherini Ranch property, Scorpion Anchorage and Smuggler's Cove. Facilities for the Scorpion area may ultimately include a ranger's station and museum, a picnic area, hiking trails, a campground, and food and lodging facilities. Smuggler's Cove, with its broad beach and adjacent valley, is already a popular destination for boaters. Future facilities may include a ranger's station, picnic area and beach campground.

The diversity and relative accessibility of the east end of Santa Cruz Island makes it an ideal location for early acquisition for the park. The willingness of its owners to sell and the relatively modest size of the property, 6,380 acres, promise to make it a relatively economical acquisition. By way of comparison, the property owned by the Vail family and the Vail & Vickers Cattle Corporation on Santa Rosa Island consists of 52,794 acres, over eight times the size of the Gherini Ranch. It may be years before sufficient funds can be appropriated to acquire Santa Rosa, which even after its acquisition will be a less accessible destination for park visitors than the east end of Santa Cruz Island.

Damage to the Gherini Family Caused by Delays in Federal Acquisition. Delay in completing the acquisition of the various properties designated for the park is causing critical problems for the area's private landowners, particularly the Gherini family. Title to these properties has effectively been clouded pending the federal acquisition. No prospective purchasers would consider buying these properties knowing that they may soon be taken for public use. Moreover, all of the members of the Gherini family with an ownership interest in the east end of Santa Cruz Island are in their seventies. Severe federal estate tax problems will arise for the family if the ranch is not acquired during their lifetimes. Under present law, federal estate taxes are due nine months after the date of death, and thereafter will accrue substantial interest.

The National Park Service recognizes the estate tax problems confronting elderly owners of proposed park property. Among the remedies that have been proposed are legislation to provide estate tax relief for owners of property within national park boundaries. Examples of such legislation are H.R. 6465, introduced by Congressman Robert J. Lagomarsino in the 97th Congress, and H.R. 2871, introduced by Congressman Lagomarsino on May 3, 1983. H.R. 2871 would defer estate taxes on a decedent's property in cases where the Secretary of the Interior certifies the government's intent to acquire the property for conservation purposes. This legislation also would provide the estate with the option to pay its estate taxes by transferring real property to a qualified organization for conservation purposes.

While these legislative efforts are greatly appreciated, their ultimate adoption is uncertain. As things now stand, the death of any of the owners of the Gherini Ranch may trigger substantial estate tax liability, directly attributable to ranch property that no purchaser other than the federal government would buy due to the national park designation. Moreover, because the property is operated by its owners as a working ranch, a phased acquisition of the property by the government over a period of years, resulting in the disruption of ranching activities, is not a practical solution either. The unwillingness or inability of the federal government to complete promptly its acquisition of the Gherini Ranch after clouding its owners' title would leave the Gherini family no recourse but to pursue whatever judicial remedies might be available to them.

Relative Priorities for Park Acquisitions. Section 202(c) of Public Law 96-199 provides:

> "With respect to the privately-owned lands in Santa Rosa Island, the Secretary shall acquire such lands as expeditiously as possible after the date of enactment of this title. The acquisition of these lands shall take priority over the acquisition of other privately-owned lands within the park."

There is no indication in the legislative history of Public Law 96-199 that this reference to the "priority" to be accorded Santa Rosa Island requires Santa Rosa to be acquired before any portion of the other lands designated for the park can be purchased. In fact, the legislative history indicates that Congress intended the Secretary of the Interior to acquire such other lands as quickly as possible where this could be done with relative ease.

The report of the Senate Committee on Energy and Natural Resources reflects the Committee's intent in adding Section 202(c). The Committee was unwilling to accede to the request of the owners of Santa Rosa Island to leave the island out of the park completely, but did accommodate the Santa Rosa owners by including "language directing the Secretary to acquire these lands as expeditiously as possible." Senate Report No. 96-484, 96th Congress, First Session (1979) at page 19. It would appear from the Senate Report that the "priority" to be accorded Santa Rosa is simply that the Secretary's greatest efforts should be devoted to acquiring that property as quickly as possible. There is no suggestion in the report that if Santa Rosa Island cannot be acquired as quickly as hoped, no other property in the park can be acquired either, even though this might be done quickly and easily.

Not only is a very strict interpretation of Santa Rosa's "priority" unsupported in the bill's legislative history, but it is also inconsistent with the bill's purposes. The various natural, ecological and scientific values of the Channel Islands, which the park was established to protect, would be frustrated if delay in negotiating an acceptable purchase price for Santa Rosa Island or in prosecuting to conclusion a condemnation action for that island blocked the purchase from willing sellers of any other property within the park. During such delay, substantial damage might be done to the interests the park is intended to protect.

Summary. The Gherini Ranch on the east end of Santa Cruz Island, with its recreational potential and comparatively easy access from the mainland, will be a valuable and useful asset to the Channel Islands National Park. The Gherini family is willing to sell the ranch at the present time to the federal government. In these times of fiscal restraint, the Gherini Ranch represents a relatively economical acquisition, since its area is less than one-eighth of the size of the privately-owned property on Santa Rosa Island. Although the Secretary of the Interior is required by Public Law 96-199 to give a priority to efforts to acquire Santa Rosa Island, he is not prohibited from purchasing other privately-owned lands for the park where that may be done relatively quickly and easily. Given the limited amount of funds available and the undesirability of piecemeal acquisitions, the Act should not be construed as preventing the acquisition of smaller parcels pending availability of sufficient funds to acquire all of Santa Rosa Island.

Because of the advanced age of the owners of the Gherini Ranch, they undoubtedly will suffer serious damage unless this matter can be resolved quickly. Their heirs may face substantial estate tax liability attributable to the Gherini Ranch which can neither be avoided nor satisfied by the sale of the ranch, since the pendency of the federal acquisition has discouraged any purchasers who might otherwise be interested. The Gherini family respectfully urges consideration of all feasible methods for the Secretary of the Interior to fund the purchase of the Gherini Ranch as soon as possible.

STATEMENT OF AMOS S. ENO, DIRECTOR, WILDLIFE PROGRAMS, NATIONAL AUDUBON SOCIETY

Mr. Chairman and members of the Committee, I am Amos S. Eno, Director of Wildlife Programs, National Audubon Society. I appear before you today on behalf of the Society and its over 500,000 members.

Mr. Chairman, the National Audubon Society is pleasantly surprised to discover that the President's FY 1985 budget request has accorded a substantially increased priority to a few programs, heretofore considered a low priority, of the Fish and Wildlife Service, the National Park Service, the Bureau of Land Management and the National Forest Service. We trust that this rather abrupt reversal from the past three years is not a one-time occurrence and will again be reflected in the President's FY 1986 budget request to the Congress.

We are fully aware and appreciative of this Committee's dogged and sustained efforts to keep the levels of funding for wildlife and resource programs of these agencies commensurate with their stewardship responsibilities as set forth by law. By continuing to fund the critical research, inventory and resource maintenance activities within these agencies' programs, the Committee has fended off Administration efforts to render these programs ineffectual by fiscal starvation. A case in point is the funding for the listing activity of the Fish and Wildlife Service's endangered species program. For three years running, the Administration has requested a 50 percent reduction in funds for the listing activity. In FY 1984 this Committee, through its persistence in Conference, succeeded in providing an additional $500,000 to sustain the listing program. The listing of species is the pedestal upon which the entire endangered species program rests. If a species cannot be listed, then funds cannot be spent for recovery plans and law enforcement protective actions which will arrest the species' decline and enhance its chances for survival. The Administration finally has been persuaded to this logic and is recommending for FY-85 not only last year's $500,000 add on, but an additional $500,000 to meet the informational backlog on 2,500 U.S. species -- three years' neglect -- which may warrant listing. We strongly support the Administration's request.

The Administration, however, is once again proposing substantial cuts in a number of other critical environmental and resource programs, evidently to offset the increases about which we are pleased. We wish to focus on a number of these today. We shall also recommend modest increases for a number of programs which we believe merit Committee attention.

FISH AND WILDLIFE SERVICE

Activity: Endangered Species — total proposed increase + $450,000

Subactivity: Recovery	+ $250,000	California Condor
	+ $200,000	Grizzly Bear

We heartily support the Administration's requested increases, totaling $2.887 million, for the endangered species program.

The recent death of a California condor, which circumstantial evidence strongly suggests resulted from cyanide poisoning derived from an ADC M-44 device, points out the vulnerability of this species and the need for additional research and habitat evaluation work. This Committee has repeatedly supported the California condor recovery program, and in the last year, notable successes have been achieved as a direct result of your continued support. We urgently request the Committee to provide an additional $250,000 for the California condor recovery program to support: (a) contaminant studies; (b) habitat analysis and telemetry work; and (c) landowner and public liaison activities. The recovery of the condor will be dependent upon the support of the ranching community because condors feed almost exclusively on private lands. The possibility that cyanide poisoning is a cause of condor mortality makes it imperative that the Service immediately initiate contaminant studies, which heretofore have been neglected for lack of priority. It is equally important for the Service to expand its analysis on condor habitat usage, improve liaison with local ranchers, maintain a viable predator control policy which does not jeopardize condors, and increase programs which will enhance public support for the recovery effort.

The Fish and Wildlife Service now chairs of a fully functional Interagency Grizzly Bear Committee (IGBC), which has the responsibility for developing and coordinating the grizzly bear recovery implementation plans for all involved federal and state agencies. The following specific research and management programs have been identified by the IGBC as necessary for continued progress toward the recovery of the grizzly bear:

1. Research to quantify the effects of road access and associated activities. Current road management policy assumes that roads have a major impact on grizzly bear behavior and habitat use. Additional research is needed to support and refine this policy;

2. Research to quantify the effects of back-country recreation on grizzly bears. Approximately 18 percent of Yellowstone National Park is under some type of human entry limitation because it is believed this will decrease the number of human-bear conflicts. Furthermore all designated wilderness areas are coming under increasing recreational pressure. Factual data is needed to demonstrate how grizzlies react to back-country recreation, so that land management agencies can act accordingly;

3. Development of a system for determining what is good grizzly bear habitat. A standards system is needed to provide managers with practical criteria for determining the effects of land management actions on grizzly habitat quality; and

4. State of the Art Compendium. To date the IGBC has established the outline and guidelines for a compilation of everything that is scientifically known about the grizzly bear. Shortly they will begin searching for an outside contractor. However, no funding yet exists for this project. The importance of this project is underscored by indications from the Forest Service that they are reluctant to support any of their own grizzly bear research until such a compendium is completed.

Subactivity: Recovery ($4,000,000) Section 6 Grants to States for
for Recovery Programs

For Fiscal Year 1984, the Administration requested no funds for this important program. The National Audubon Society requested the Congress provide $4 million and $2 million was the compromise amount actually appropriated. We are pleased to find in FY 1985 that the Administration is requesting $4 million which we strongly support.

Forty-one states have cooperative agreements with the Fish and Wildlife Service under this program. Over $4.5 million worth of proposed projects have been submitted to the Service from the states in the current fiscal year and of course, only $2 million is available.

Many important projects whose objectives are to deal with the declining numbers of endangered species and to initiate recovery efforts cannot be initiated this year. In the business world, time is money so the saying goes; time is also a vital factor in the survival of threatened species.

For example, due to lack of funding in the current fiscal year, preservation work was not able to proceed on the following important projects: grizzly bears in Idaho; the woodland caribou in Idaho and Washington; efforts to determine if compound 1080 is affecting the reproduction and survival of the condor in California; status of the black-footed ferret in New Mexico; analysis of wintering habitats of the bald eagle in Iowa; and projects involving the bald eagle in Minnesota and Michigan, the peregrine falcon in Wisconsin; and bald eagle hacking in Pennsylvania.

Activity: Habitat Resources

Subactivity:	Total Proposed Increase (Dollars in Millions)
Field Operations	+ $3.000
National Wetlands Inventory	
Research and Development	
Cooperative Units	+ $1.274

The Administration has requested increases for field operations (+$6.232 million), National Wetlands Inventory (+$2.3 million), and research and development (+$1.378 million). The Society supports each of these program increases.

Under the subactivity - field operations, permits and licenses, we urgently request an additional $3 million to provide the Service a viable capability to review and implement permit modifications in a timely fashion. The permit and licensing program has received reduced funding for four consecutive years during which its workload has increased substantially. This past year NAS and 15 other conservation groups reached an out of court settlement with the Corps of Engineers and EPA which will put into effect new regulations requiring the Service to undertake the following additional duties: (1) review pre-discharge notices for areas of 1 to 10 acres (this requires an additional 3,000 permit reviews over FY-83 capacity;) (2) increased recommendations for off-site mitigation; (3) increased consultation with the Corps on nationwide general permits, with 1,000 additional permits anticipated.

At present 30 percent of the permits reviewed by the FWS are designated "No Action" because of lack of staff and funding. For the past two years, the Congress has devoted considerable energy to the deteriorating and contaminated state of our nation's wetlands. Pending new legislation addresses the phenomenal losses we are experiencing in valuable wetland habitats. A number of new sources of funding have been identified for increasing federal and state wetland acquisition programs. However, public acquisition of remaining wetlands can only solve a small percentage of the problem. Most wetlands occur on private lands and the FWS permit review program is the most comprehensive and effective means of preventing the nationwide deterioration of our wetlands. It is also by far the most cost-effective means of addressing the problem.

In FY 1981 the Service's budget for permit review exceeded $6 million; the Administration is requesting a mere $4.8 million for FY 1985 in the face of the Service's expanded workload and responsibilities. This is not a sexy program, and obviously it smacks of regulation and bureaucracy. But in fact, this program brings to bear the very best of the technological and biological expertise that the Fish and Wildlife Service has to offer to address this country's most valuable wildlife resources. This program effectively saves the wetlands without cumbersome and costly acquisition of the wetlands.

At present the Service has less than 100 FTEs nationwide to monitor over 20,000 individual permits requiring review. We strongly urge the Committee to earmark the following funding increases:

(1)	Environmental review of Section 404 nationwide general permits	+ $1,700,000
(2)	Follow-up Studies to determine the effectiveness and compliance of permit conditions	+ $ 350,000
(3)	Additional workload required to review FERC licenses	+ $ 250,000
(4)	Evaluation of wetlands values	+ $ 80,000
(5)	Analysis of point source discharges (§402 permits)	+ $ 700,000.

Cooperative Units. The Administration has repeatedly sought to do away with the cooperative unit program. The Service's FY-85 budget requests $3.655 million and 57 FTEs -- a reduction of $1.274 million from FY-84 levels which maintains 80 employees assigned to the program. The Administration has resorted to disguising the reduction as operational costs which can be absorbed by the proposed reorganization of the units. In reality, these monies are needed to pay the salaries of the 23 on-board professionals and to provide a bare minimum of operating support for the units. If the Administration budget is accepted, the Service will lose 23 qualified research professionals. This represents a staff reduction of 25 percent for the program as a whole which will greatly impair the productivity of the units, regardless of the proposed reorganization. We urge the Committee to restore the unit funding and maintain at least a level of 80 FTEs, recognizing that this is already a substantial reduction from the historical level of 109 FTEs.

We do not object to the reorganization in principle. However, practically speaking we feel strongly that the Administration's continued assault on the unit program is ill-advised from both management and fiscal perspectives. The unit program has been remarkedly productive and a demonstrable success. When it ain't broke, don't fix it!

Activity: Wildlife Resources

Subactivity:	Proposed Increases (Dollars in Millions)	
Refuge Operations & Maintenance	+ $4.000	37 FTEs
Law Enforcement & Protection		
Population Management	+ $1.000	10 FTEs
Research & Develoepmnt	+ $ .300	
Western Hemisphere Convention	+ $ .300	

Activity: Construction + $9.000

Bosque del Apache NWR Waterfowl Hunt. A year ago this Committee forsightedly provided language in the Appropriation bill prohibiting the service from expending funds to manage the goose hunt on Bosque del Apache NWR in New Mexico. Today a whooping crane is dead (died 23 January 1984) and virtually the entire experimental flock of whoopers is in serious jeopardy as a direct consequence of the Service's management of this and past year's hunts on Bosque NWR. There is also the spectre of increased jeopardy to whooping cranes arising from exposure to lead shot, again a consequence of current Administration policies.

The National Audubon Society believes that the Service is in violation of the Endangered Species Act through its administration of the hunt because substantial funds are being spent which adversely affect -- and we would argue directly jeopardize -- the welfare of the whooping crane. We also believe the Service to be in violation of the National Wildlife Refuge Administration Act because the hunt constitutes an "incompatible" use of the refuge. The primary purpose of the refuge is as a waterfowl wintering area and the hunt clearly forces both wintering waterfowl and cranes off the refuge each year. Finally, the hunt violates the Service's refuge management policy as delineated in the Bosque Master Plan. The plan states that the goals for the refuge, in priority order, are: (1) "to provide habitat and protection for endangered species with special emphasis on the whooping crane; and (2) to provide habitat and protection for migratory birds during the winter with special emphasis on sandhill cranes, dabbler ducks and Canada geese."

The Service maintains that the crane in question died of lead poisoning and to quote a Secretarial memorandum: "the pellets shot into the bird did not appear to be of recent origin and were not the direct cause of death." The same memo states conclusively: "There has never before been any indication of a problem like this with whooping cranes and we believe this incident to be a freak occurrence."

A freak occurrence this certainly was not. The FWS chronology does not relate that on 27 December 1983, the day before the opening of the third goose hunt, the whooper was routinely observed feeding in unit 9, a portion of the refuge utilized for the goose hunt. On 28 December 1983, the day of the hunt, the bird was observed on his roost on the refuge, apparently healthy. The bird was observed leaving the roost at 8:52 a.m. flying towards the hunt. A former refuge manager, who happened to be participating in the hunt that day, noted an adult whooper fly directly over the hunt area and circle his blind at 9:00 a.m. Service personnel managing the hunt claim no whoopers entered the hunt area, although another whooper was also positively identified directly over the hunt area earlier that day.

The whooper in question disappeared after 28 December 1983, until 5 January 1984 when it was again sighted on the refuge with blood stains on its feathers. Thereafter the Service's chronology is accurate.

The Service's Bosque Refuge annual reports repeatedly note that the goose hunt drives the cranes off the refuge. The Service's whooping crane biologist states unequivocably that the whoopers left the refuge this year as a direct result of the hunt. There is also good evidence of previous losses. In 1980, an adult whooper suddenly disappeared in the midst of a goose hunt. In 1978 a hunter was apprehended after shooting five shots directly at two whoopers -- fortunately he was a bad shot. In 1977, two juveniles feeding on the refuge disappeared during a hunt.

On 2 February 1984, the whooping crane recovery team unanimously recommended the closure of the Bosque hunt, although to date the Service has failed to make this recommendation known to the public.

The whoopers left the Bosque area in late January because of hunt disturbance and lack of food on the refuge and flew north to a state management area near Berlin, NM. Again they were subjected to waterfowl hunters and between 4-13 February, a minimum of nine whoopers migrated further north to Monte Vista NWR in Colorado. This northward movement is two weeks earlier than normal. At Monte Vista NWR, the cranes were standing in 6-12 inches of snow covered valley experiencing -15°F nightly temperatures and so little food that the refuge staff had to take a grader to remove snow from barley stubble fields. There is also an outbreak of fowl cholera at Monte Vista NWR and already the Service has collected three dozen dead sandhill cranes.

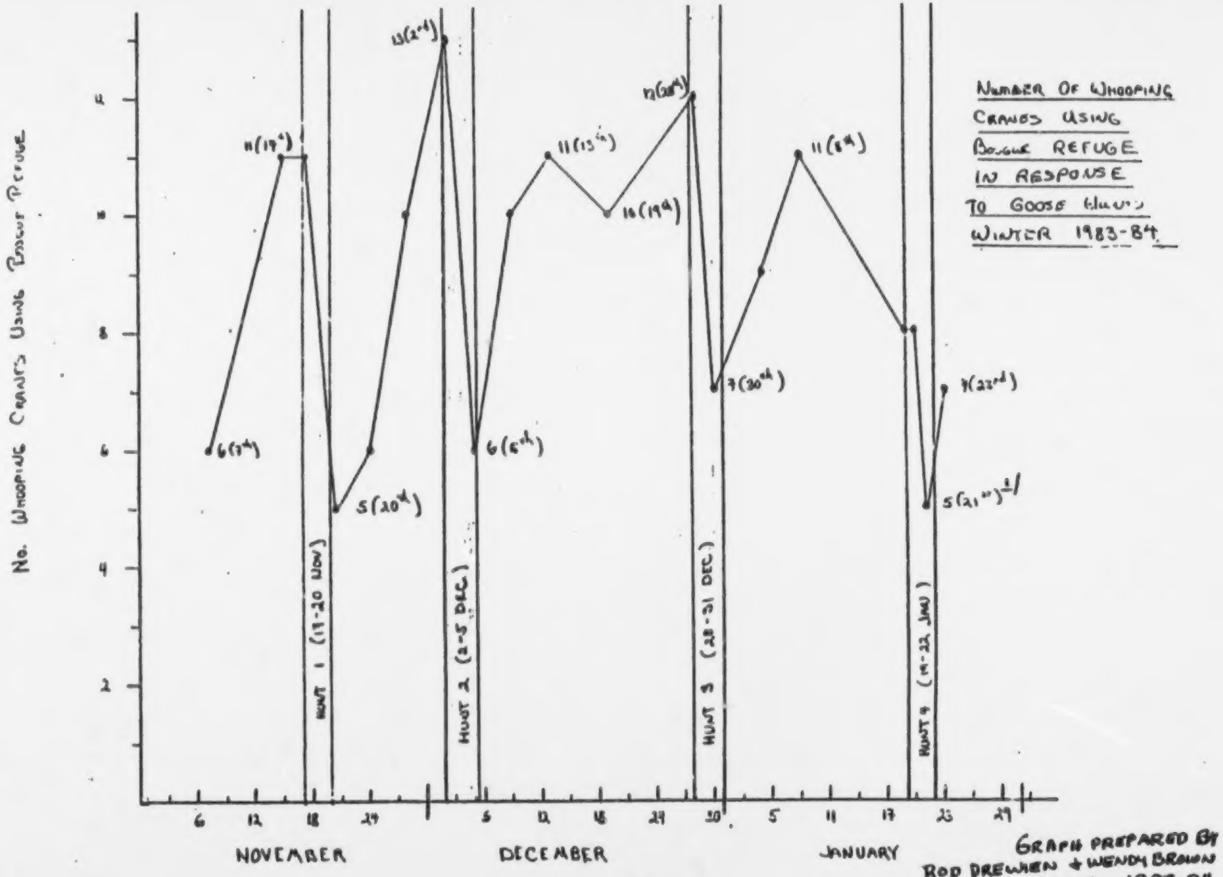
In conclusion, nine whoopers have been driven off their winter refuge and are now subject to exposure to fowl cholera. Four whoopers are unaccounted since the January hunt. The entire flock likely has been exposed to large levels of lead shot and is being subject to increased stress because of disturbance and exposure to extreme cold weather. We request the Committee to again provide language to prevent the Service from jeopardizing its own charges. (The attached chart demonstrates a direct correlation between the hunt and the presence or absence of whoopers on the refuge.)

Alaska. Although Congress has increased appropriations for Alaska in the last four years, funds are still insufficient to provide for thorough implementation of ANILCA. As a consequence, we now face a number of resource crises.

First, there has been a drastic decline in Arctic nesting geese in the Yukon-Kuskokwim Delta of western Alaska. Several species are involved and this situation not only affects the waterfowl management programs of most western states, but it also has serious international consequences because of our migratory bird treaties with Canada, Mexico and the Soviet Union. The Service's 1983 winter surveys indicate the population of cackling Canada geese in California was less than 30,000 birds, representing a drastic population decline of almost 90 percent since 1965. Pacific Flyway white-fronted geese have declined by 50 percent in 20 years. The Pacific black brant population is down to a total of 120,000 birds, the threshold level at which Flyway management plans call for Flyway-wide closure of all hunting. Additionally, emperor geese, which nest and winter only in western Alaska, have also declined by almost 30 percent in the last 20 years. Although the Service is confident in the data documenting these declines, it is less certain as to the causes of the declines. Possible factors include: excessive sport and subsistence harvest; increased natural mortality; changes of species distribution; competitive interactions with other species; and destruction or degredation of habitats in Alaska and along the Flyway.

In order to forestall this crisis, the National Audubon Society requests the Committee's support for the funding of a Flyway-wide management and research effort. We recommend a total of $900,000 be applied to work for migratory bird management effort on nesting areas in Alaska and on the wintering grounds from Washington State south to Mexico. We recommend the addition of $300,000 for associated research efforts to determine the causes of the declines. A total of 10 FTEs are also necessary to undertake this increased workload. If the Service does not undertake efforts to stem the decline in Arctic geese, it is likely that these species will be managed right onto the endangered species list where they will next be brought to this Committee's attention as part of an urgent appeal by the Service.

Second, the Service is facing a real problem regarding completion of refuge comprehensive conservation plans in Alaska. The Alaska National Interest Lands Conservation Act (ANILCA) requires the Service to prepare a comprehensive conservation plan (CCP) for each refuge which describes the fish and wildlife populations thereon, the habitats and the compatible activities



NUMBER OF WHOOPING CRANES USING BOSQUE REFUGE IN RESPONSE TO GOOSE HUNTS WINTER 1983-84.

GRAPH PREPARED BY
ROD DREWIEN + WENDY BROWN
FROM THEIR DATA -1983-84

1/ Includes Removal Of Wounded Whooping Crane Removed From Refuge that may be permitted on the refuge. Oil and gas leasing required under Section 1008 of ANILCA, the development of public use facilities, and major management actions are being held in abeyance until the CCP's are completed. The Service is already far behind schedule with its plan preparations, and the initial drafts, notably the Kenai NWR plan, have been subject to strong criticism by conservation groups such as Audubon because of their inadequacies. There is very little baseline biological data available on which to judge compatibility requirements that pertain to oil and gas exploration on these new refuges. In order adequately to evaluate and plan for these activities and in order to man these refuges with on-the-ground staff, Audubon urges the Committee to provide an additional $4.0 million and 37 FTEs for Alaskan refuges.

A third and related issue is the looming problem of staffing these new refuges. As the Committee, I am sure can well appreciate, bringing a highly qualified, competent manager/biologist and his family from positions in the lower 48 states to the distant and most remote corners of Alaska is difficult. Consider the privileges in the offing: move thousands of miles from stateside friends and family, and education centers; remain virtually incommunicado; thrive on the privations of Alaskan bush life; endure long nights/short days, the coldest of winters extending from October to May; and experience endless transportational hazards. The one and only convenience and palliative that the Service can provide is adequate housing. Audubon strongly urges the Committee to provide $9.0 million for construction of adequate refuge housing in order to provide our refuge personnel with the prospect of residences which include technical improvements upon the igloo.

Finally, under the 1975 agreement with the U.S.S.R., the Service has annually conducted joint aerial surveys with our Russian counterparts to determine the size of the Arctic walrus populations. Preexisting Service funds are committed to studies monitoring the subsistence harvest of walruses and polar bears and surveys on sea otters. We respectfully request that an additional $100,000 be earmarked to the population management budget to provide for the continuation of the Alaskan walrus surveys.

Western Hemisphere Convention: The 1982 amendments reauthorizing the Endangered Species Act contained authorizations of $150,000 for Fiscal Years 1983 and 1984 and $300,000 for Fiscal Year 1985 for implementation of the Convention. For the third year in a row, the Administration has failed to request funds to implement the Western Hemisphere Convention. This Committee has provided funds for the past two years and we urge the Committee to once again fund the Service's programs at the authorized level, $300,000 for FY-85. In the past two years, the Service has conducted valuable training programs for Latin American managers on the management of wildlife refuges, migratory bird management and research, environmental education, mapping of plant communities, and it has instigated the preparation of a comprehensive bibliography on wildlife studies in Central America. The Service also undertook cooperative projects with the governments of Mexico, Guatarmala, Costa Rica and Paraguay. At a time when the Administration is implementing a multi-million dollar Latin American aid program, it would seem appropriate to maintain our commitment to implementing the Western Hemisphere Convention.

Activity: Fishery Resources

Subactivity:	Proposed Increases (Dollars in Millions)	
Development	+ $ .500	10 FTEs
Gainesville FL Exotic Fisheries Laboratory	+ $ .300	
National Fisheries Lab, LaCrosse, WS	+ $1.000	

The Gainesville National Fishery Research Laboratory in Florida is responsible for investigating the adverse impacts and occasional benefits of introduced exotic fish species. Exotic species are a serious hazard to endemic species in numerous areas of the country, particularly in the south. Construction of the Gainesville Lab is complete, yet the proposed budget does not provide necessary operating funds and personnel.

We recommend the restoration of $300,000 to the LaCrosse Laboratory to enable the Service to continue the valuable chemical assessment and registration of drugs necessary for fish control and cultivation.

We also recommend $1.0 million to continue the environmental contaminant studies under the Senator Chafee amendment for striped bass.

Activity: Land Acquisition

	Proposed Increase
Subactivity: Land and Water Conservation Fund (LWCF) (See Attachment II.)	+ $74,340,000

The President's budget is requesting $27.5 million for land acquisition under the Land and Water Conservation Fund (LWCF) program. Funds in the amount of $20.0 million for federal wetland purchases and $7.5 million grants to the states for wetland acquisition are included in this amount.

The National Audubon Society has long been concerned about the steady and escalating loss of this nation's supply of wetlands and wildlife habitat. We are fully aware of the importance of the vital role wetlands play for the replenishment of fish and wildlife resources and to the well-being of all Americans.

The Administration's proposed funding for wetlands acquisition is contingent upon the passage of authorizing legislation which the Administration will submit to the Congress. Until the passage of this legislation, we wish to reserve judgment upon this aspect of the request. We assume that the Committee will also defer action on wetlands funding until Congress has had the opportunity to consider the proposed legislation. If legislation is passed later this year, a supplemental appropriation would be in order because of the critical need to acquire these resources.

The National Audubon Society recommends that funds in the amount of $79.29 be provided by the Committee for the acquisition of land under the Land and Water Conservation Fund. These funds would be in addition to the funds earmarked for wetlands acquisition. Attached to this statement is a priority list of refuge areas and endangered species projects which should be funded in this nation's effort to preserve endangered species and to protect priority wildlife habitats across the country.

	Proposed Increase
Subactivity: Migratory Bird Conservation Account	+ $30,000,000

In FY 1984, Congress provided the Service with an advance appropriation of $7 million. For FY 1985, for the fourth year in a row, the Administration has requested no advance appropriation. This is in spite of the fact that 1.595 million acres remain to be acquired to meet the Service's 1976 established goal of 1.9 million acres. At an average cost of $750-$900 per acre, the Service faces a $1.2-$1.4 billion backlog to complete the task assigned. The wetlands loan retains an authorized balance of $46.150 million. The society urges the Committee to appropriate $30.0 million under the Migratory Bird Conservation Account for the protection of priority migratory bird habitats in the following areas: Richfield, WA ($3.0); Humboldt Bay, CA ($2.2); Anderson-Tully, TN ($7.5); Cache River, AR ($7.3); Butte Sink, CA ($5.0); prairie potholes ($5.0).

NATIONAL PARK SERVICE

Activity: Land Acquisition	Proposed Increases (Dollars in Millions)
Subactivity: Land and Water Conservation Fund	+ $57.3
Assistance to States (See Attachment III.)	+ $75.0

The National Audubon Society is pleased to discover that the President's budget request included $100 million from the Land and Water Conservation Fund (LWCF) for this agency. After three years, this is indeed a significant reversal of policy. We fully support the President's request. We also recommend that additional funds in the amount of at least $57.3 million be provided for land acquisition for authorized national parks, national monuments, wild and scenic rivers, trails and national recreation areas. Attached to our testimony is a list of our highest priority areas which we believe merit Committee funding for Fiscal Year 1985.

The Administration has requested no funding for the state assistance portion of the Fund. For two years, no funds were requested. In Fiscal Year 1984, $75 million was requested and appropriated. Now -- nothing.

No one can administer a program efficiently and effectively without assurance of a funding continuity. Staff hired one year is lopped off the next. State and local agencies, many of which budget on a biannual basis face an impossible task. It does not make sense to operate in this chaotic fashion.

We urge the Committee to provide once again $75 million for the state assistance program of the Land and Water Conservation Fund.

U.S. FOREST SERVICE

	Proposed Increases (Dollars in Millions)
Forest Research, Wildlife, Range and Fish Habitat	+ $ 2.000
National Forest System: Wildlife and Fish:	+ $ 5.000
National Forest Service: Recreation:	+ $ .350
Land Acquisition (LWCF)	+ $38.960

Forest Research, Wildlife Range and Fish Habitat - +$2.0 million. For the fourth year in a row, the Administration has cut Forest research on wildlife, range and fish habitat to accommodate timber and resource utilization needs. The Administration's requested funding level of $8.4 million represents an 8 percent reduction from FY-84 levels and is well below the appropriation for FY 1980. Because of this funding cut, a host of Forest Service research priorities will not be funded in the coming year including: determination of the value of streamside management zones for wildlife; land use/anadromous fish habitat relationships; habitat requirements for anadromous fish; habitat requirements for management indicator species; old-growth forest wildlife habitat interactions; wildlife community relationships in tropical forests; development of monitoring techniques for wildlife to meet requirements of the National Forest Management Act; and endangered species research. Audubon is disturbed that the Forest Service currently is making no contributions to grizzly bear research, even though it manages more bear habitat than any other federal or state agency.

Research is also needed on the red-cockaded woodpecker. Previous Forest Service research has demonstrated that woodpecker populations are relatively healthy, but highly fragmented. Present trends for timber harvest on private lands where woodpecker habitat predominates indicate that few populations will survive the next decade. The only remaining populations will be on Forest Service lands and will represent only 10 percent of the current population. The Service needs research to guide the multiple-use management of southeastern forests to safeguard future populations of red-cockaded woodpeckers. The Forest Service has also received a Fish and Wildlife Service Section 7 opinion on its management plan for the State of Florida, which is contingent upon additional research.

Audubon recommends that an additional $2 million be provided to support research on anadromous fish; endangered species such as the grizzly bear, woodland caribou and red-cockaded woodpecker, and other priority wildlife habitat needs.

National Forest System: Wildlife and Fish - +$5.0 Million. The Administration's request for the wildlife and fish programs in the National Forest System represents a 15 percent reduction from 1980 funding levels and a reduction of over a million dollars from FY-84 levels. After several years of successive budget cutting the habitats and Forest Service capability for management of endangered species, anadromous fish and numerous game species on our forests is becoming seriously degraded.

The Forest Service faces a backlog of almost $3.5 million in identified projects aimed at protecting endangered species and improving their habitats which will go unfunded this coming year. Funds are needed for the grizzly bear to support habitat component mapping, cumulative effects analysis, increased law enforcement, road closures and administration of special use permits. The woodland caribou requires habitat delineation, cumulative effects analysis and increased law enforcement protection. The black-footed ferret needs surveys under FWS guidelines. The peregrine falcon needs funding to support hacking sites, reintroductions and telemetry studies to identify foraging areas. The bald eagle requires similar support for hacking, reintroduction and habitat protection. The California condor requires support for coordination with research efforts on egg collection, visitor access control and information. Both the red-cockaded woodpecker and the Puerto Rican parrot require support for habitat maintenance and improvement. Audubon urges the Committee to provide an additional $3.0 million for threatened and endangered species management.

Under this Administration, the Forest Service's responsibilities for anadromous and adfluvial fish are also being neglected. In California, Washington, Oregon and Idaho more than 50 percent of the spawning and rearing habitat for salmon and steelhead is found on our national forests. Alaskan national forests include 25 percent of that state's anadromous fish habitat. Fish production for northwestern forests represents 171 million pounds annually, conservatively estimated to be worth $231 million. With improved habitat manipulation and escapement facilities, the Service can improve production to an estimated 229 million harvestable pounds. Audubon urges the Committee to provide an additional $800,000 to improve stream habitats, fish passages, barrier removals and lake fertilization for anadromous fish in the states of California, Oregon, Washington, Idaho and Alaska. Implementation of this program should assist in preventing the continuing decline of spring and fall chinook salmon runs on the upper Columbia River. We also request an additional $300,000 to support similar habitat improvement programs for adfluvial-lake fish such as kokanee salmon and Dolly Varden trout-in northern Idaho.

Finally, we request an additional $900,000 to support wetland habitat improvements, aspen rejuvenation, access management and unique wildlife species (bighorn sheep, moose, mountain goat) projects. Mr. Chairman, we urge a balance of funding for renewable resources in our national forests, and we would argue that as the noted western author Wallace Stegner observed that "both watershed control and recreation are more important functions of western forests these days than anything that can be measured in board feet. . . ."

National Forest System: Recreation - +$350,000. A major contributing factor to human/bear interactions is the availability of garbage to foraging bears. Last year Audubon successfully threatened suit to force the closure of several county dumps in Montana that were regularly attracting grizzly bears. We request an addition of $350,000 for the Service's recreation budget to support the bear-proofing of forest campgrounds, acquisition of new dumpsters and to facilitate garbage removal and coordination with local sanitation agencies throughout grizzly bear habitat on national forest lands.

Forest Service Land Acquisition (LWCF) + $ 38.960 Million
(See Attachment IV.)

BUREAU OF LAND MANAGEMENT

Renewable Resources Management:

	Proposed Increases (Dollars in Millions)
Wildlife Habitat Management	+ $9.100
Recreation Management	+ $4.500
Range Management	+ $3.800
Soil, Water and Air Management	+ $4.000
Land Acquisition (LWCF) (See Attachment V.)	+ $5.600

In FY 1983, Congress restored funding for each of these programs. In FY 1984, the Administration proposed cutting renewable resources management a whopping $21 million. Congress did not consider this to be in the public interest and provided additional funding. Again for FY 1985, the Administration has proposed substantial reductions of almost $10 million for renewable resource programs.

In FY 1984, the Administration proposed a reduction of $7.9 million in Range Management. This was to be accomplished by "conducting less intensive and more efficient inventories and assigning maintenance of range improvements to livestock operators . . . ." Congress did not buy this. This year the Bureau justifies the reductions as "a continuation of efforts to concentrate on those allotments requiring intensive management to improve their condition and to monitor conditions and trends." No mention was made in FY 1984 that such an effort was underway. Once again, definitive reductions are being made based upon rather vague, open-ended, unsubstantiated prescriptions for future program activities.

We urge the Committee to restore funding for range management and soil, water and air management programs to FY 1984 levels. This level of funding is needed to ensure that the agency retains a balance of stewardship capabilities and to ensure that the renewable resources of our public will be protected and enhanced.

Wildlife Habitat Management - +$9.1 Million. The Administration is proposing reductions of $2.1 million and 25 positions, which would place funding for Bureau wildlife programs substantially below the levels appropriated for FY 1979. The purpose of the reduction is to "share authority and seek matching funds from state agencies or private groups to carry out habitat improvement work." We wonder how many states, hard pressed for funds, are going to march forward to increase their workload and expenses for managing our public lands. The Service provides no indication of how many states have agreed to do this, providing congressional authorization is given, or how many private groups (!) are eagerly waiting in the wings for the opportunity to undertake habitat improvement work on BLM lands. A December letter from Nevada's state director, William Molini, who serves as chairman of the Land Resources Committee of the International Association of Fish and Wildlife Agencies, sheds light on the state and private response to the Administration's proposals. Mr. Mollini writes:

> ". . . It is widely accepted that the BLM has legal authority and congressionally mandated responsibility for wildlife habitat management on public lands. . . . We believe the first line response to the anticipated reduction in wildlife program allocations should be a stronger emphasis by the BLM to acquire the necessary funding through congressional appropriation to accomplish its wildlife habitat management responsibilities . . . state governments and others are also having a difficult time financially because of the current economic conditions."

We urge the Committee to restore the proposed reduction.

The National Audubon Society recommends that this appropriation be increased by at minimum an additional $7 million for work on the following programs:

Desert Bighorn Sheep	+ $ 500,000
Wildlife Resources in Alaska	+ $ 600,000
Special Status Species	+ $2,650,000
Endangered Species	+ $1,250,000
Habitat Management Plans	+ $2,000,000

The principal and urgent aspect of this program is the recovery efforts and habitat maintenance necessary for sensitive and endangered species and the enhancement of their chances for survival. As the newspapers relate daily, this past winter has been devestating across the West to wildlife species which are already under stress or suffering habitat loss. In our judgment, the President's request is inadequate to enable the agency to undertake the minimal actions necessary to ensure species survival.

There are approximately 7,700 desert bighorn sheep in 103 distinct herds in the five-state area of Utah, Nevada, New Mexico, Arizona and California. Thirty-one herds, representing some 2,300 sheep or 30 percent of the total are experiencing serious population declines. Only four herds with 500 sheep are experiencing increases. Unless additional funding is provided to improve habitat and water distribution, reduce livestock competition and human disturbance and undertake disease and habitat research, these herds will continue to decline.

Mineral leasing programs in Alaska are proceeding forward at a steady pace, but efforts to evaluate the impact of mineral leasing on lands and mitigate impacts on wildlife and fish are falling behind or more often than not nonexistent.

Additional funding is needed to enable the agency to monitor the status and well-being of a number of species which are considered to be especially sensitive to development activities on or near their habitat. The primary function of this program is to head off the listing of these species as threatened and endangered. Examples are: the coati and prairie falcon in Arizona; the desert tortoise in California; the river otter and trumpeter swan in Idaho; and the Bonneville, Snake River and Colorado River cutthroat trout in Utah.

There are currently 21 fish, 2 amphibians, 8 reptiles, 15 birds, 12 mammals and 21 plants listed as threatened or endangered species occurring on lands managed by BLM. Recovery plans have been developed for 41 species and 19 plans are in the development stage, but actions required of BLM by these plans are not being completed on schedule. Over 900 species of plants have been identified as candidates for listing on BLM lands. Additional funding is needed to prepare the habitat management plans and to ensure the protection and proper management of all these species in BLM's charge.

Recreation Management

	Proposed Increases (Dollars in Millions)
Cultural Resources	+ $ .500
Wilderness Management	+ $1.500
Recreation Resources Management	+ $2.000
Volunteer Utilization	+ $ .500

In the face of increasing damage to Bureau cultural resources and the need for preparation of four management plans, the Administration has provided no justification for a reduction in cultural resources. Similarly the wilderness program required additional funds for management of the over ten newly designated wilderness areas. The Bureau faces a continued increase in recreational use on its lands and additional management capabilities are required to facilitate and control extensive recreation uses such as hunting, fishing, camping and four-wheeling. Volunteers provide the Bureau with 6:1 ratio of work for every dollar invested.

ATTACHMENT I

SUMMARIES-FISH AND WILDLIFE SERVICE REQUESTS
(Dollars in Millions)

	National Audubon Society Requested Increases	
Endangered Species		
Recovery	+ $ .450	
Habitat Resources		
Field Operations	+ $ 3.000	
Cooperative Units	+ $ 1.274	
Wildlife Resources		
Refuge Operation & Maintenance	+ $ 4.000	37 FTEs
Population Management	+ $ 1.150	10 FTEs
Research & Development	+ $ .300	
Western Hemisphere Convention	+ $ .300	
Fishery Resources		
Research & Development	+$ 1.800	10 FTEs
Land Acquisition (LWCF)		
Land Acquisition	+ $79.290	
Migratory Bird Conservation Account	+ $30.000	
Construction	+ $ 9.000	

ATTACHMENT II

FISH AND WILDLIFE SERVICE
Land and Water Conservation Fund FY-1985

Acquisition Unit/State (1,2)	Type of (3) Acquisition	Acreage	Cost $ (Millions)	Acquisition Completed
1. Lower Rio Grande, TX*	EA	6,700	10.0	
2. Masked Bobwhite Quail (Buenos Aires Ranch), AZ	EA	47,000	3.0	x
3. California Condor (Hudson Ranch), CA	ES	8,000**	4.0	x
4. American Crocodile (Crocodile Lake), FL	ES	4,000	5.0	x
5. Key Deer, FL	ES	450	3.0	
6. Lower Suwanee, FL*	EA	22,600	8.5	
7. Currituck, NC*	SL	750	3.0	
8. Moapa Dace (Moapa Valley), NV	ES	56	0.8	x
9. Kirtlands Warbler, MI	ES	1,376	0.75	x
10. Florida Panther (Fakahatchee Strand), FL	ES	7,353	5.0	
11. Ozark Big-eared Bat, OK	ES	500	0.5	x
12. Blunt-nosed Leopard Lizard, CA	ES	2,240	3.2	
13. Pahrump Killifish (Corn Creek), NV	ES	40	0.18	x
14. Karl Mundt, SD	EA	660	0.3	x
15. Fringe-toed Lizard*	ES	1,250	5.0	
16. San Francisco Bay, CA	ES/SL	3,984	1.35	x
17. Great Dismal Swamp, VA/NC	SL	47	0.465	
18. Trustom Pond, RI	EA	230	1.0	
19. Clear Creek Gambusia, TX	ES	10	0.03	x
20. National Elk, WY	EA	355	4.6	
21. Kofa, AZ	EA	16,205***	0.35	x
22. Minnesota Valley, MN	SL	1,582	4.3	
23. Tinicum, PA	SL	220	3.4	x
24. Brazoria, TX	EA	400	0.5	x****
25. Bon Secour, AL	SL	1,750	5.0	
26. Boque Chitto, MS/LA	SL	7,000	2.7	
27. Great Swamp, NJ	EA	68	0.465	
28. Parker River, MA	EA	1-10	0.4	
Acquisition Management			2.5	
			$79.29 Total	

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(1) Items listed in general order of priority.
(2) Items selected can be acquired from willing seller in all probability.
(3) ES -- Endangered Species.
SL -- Special Legislation.
EA -- Addition to Established Area (Fish and Wildlife Act, 1956; Recreation Use of Conservation Acres Act, 1962.)

* TNC projects whole or part.

** Estimate only; land appraisals currently in progress.

*** State surface and subsurface plus patented mining claims and withdrawal application covering additional acres of public domain.

**** LWCF portion of acquisition.

ATTACHMENT III

NATIONAL AUDUBON SOCIETY

National Park Service
FY 1985
Land and Water Conservation Fund
(Dollars in Thousands)

Area	Acres	Amount
Alaskan Areas	---	$ 500
Antietam NM	700	1,000
Appalachian Trail	14,000	8,000
Big Cypress NP	7,300	7,000
Big Thicket NP	2,000	6,000
Cape Lookout NS (all for deficiencies)	---	4,000
Chaco Culture NHP	400	500
Channel Islands NP	58,350	26,300
Chattahoochee River NRA	50	2,000
Chesapeake & Ohio Canal NHP	100	500
Cuyahoga Valley NRA	900	6,000
Delaware Water Gap NRA	500	1,000
Fort Frederica NM	3	400
Golden Gate NRA	500	2,000
Jean Lafitte NHP	400	3,000
Indiana Dunes NS	30	1,000
Lower St. Croix WSR	200	500
Manassas NB	500	3,000
Martin Luther King Jr. NHS	5	500
Monacacy NB	400	2,000
New River Gorge NR	2,500	3,000
Petersburg NB	5	1,500
Point Reyes NS	400	2,000
Redwood NP (101 bypass)	1,500	10,000
Rocky Mountain NP	300	2,000
St. Croix WSR	1,000	1,000
Salinas NM	150	500
San Antonio Missions NHP	80	1,500
Santa Monica Mountains NRA	1,200	20,000
Saratoga NHP	400	400
Sequoia NP (Mineral King)	300	2,000
Sleeping Bear Dunes NL	1,000	10,000
Valley Forge NHP	100	2,000
Voyageurs NP	300	1,000
War in the Pacific NHP	20	1,000
Deficiencies and Relocation	---	6,000
Inholdings	2,000	8,000
Acquisition Management	---	7,800
Emergency and Hardships	---	2,400
TOTALS	97,593	$157,300

ATTACHMENT IV

NATIONAL FOREST SERVICE
Land and Water Conservation Fund
FY 1985

	Acres	Amount
Arapaho NRA	200	$ 1,000,000
Mt. Rogers NRA	1,000	1,000,000
Rattlesnake NRA	1,200	1,500,000
Sawtooth NRA	1,200	3,250,000
Whiskeytown-Trinity	550	450,000
Flathead WSR	700	1,000,000
Salmon WSR	225	1,500,000
Middle fork Salmon WSR	125	750,000
Middle Fork Feather WSR	175	800,000
No. Fork American WSR	600	500,000
Mt. St. Helens	500	300,000
Boundary Waters Canoe Area	375	3,250,000
Endangered and Sensitive Species:		
California Condor	600	800,000
Peregrine Falcon	90	135,000
Bald Eagle	960	750,000
Indiana Gray & Big Ear Bats	170	300,000
Timber Wolf	1,500	300,000
Great Blue Heron	100	25,000
Great Gray Owl	300	600,000
Lake Tahoe	1,200	5,000,000
Composites	12,000	10,000,000
Wildlife Management	250	250,000
Deficiencies	---	500,000
Acquisition Management	---	5,000,000
TOTAL LWCF		$38,960,000

ATTACHMENT V

BUREAU OF LAND MANAGEMENT

	FY 1985 Requests (Dollars in Millions)
California Desert NCA	$0.5
King Range NCA	1.0
Pacific Crest Trail	0.5
Rio Grande WSR	0.1
Susan River	0.05
Trinity River	0.5
Upper Sacramento River	2.0
Acquisition Management	0.5
TOTAL	$5.6

FISH AND WILDLIFE SERVICE

Land Acquisition (LWCF)

Project Descriptions

LOWER RIO GRANDE VALLEY NATIONAL WILDLIFE REFUGE

The objective is to continue acquisition of the remaining brushlands in the LRGV. This is necessary to ensure the preservation of critical white-winged dove nesting and roosting habitat and to preserve habitat for a diverse assemblage of passerine birds, mammals, reptiles, and endangered species. Preserving these areas will provide habitat for a variety of unusual birds and animals found nowhere else in the United States. Mexican birds, whose northern range is the LRGV, use the areas and include such birds as the green jay, plain chachalaca, great kiskadee, altamira oriole, and some 30 other peripheral bird species. For the past 10 years, white-winged dove have been decreasing in the LRGV due primarily to the loss of native brushlands.

Preserving the last remaining native brush habitat in this area will provide many hours of birdwatching, other wildlife viewing, scientific research, environmental education, interpretation, photography, and related wildlife-oriented experiences. These benefits will continue to be available to local residents and many tourists who visit the region to view the peripheral species unique to this region of the United States.

Previous acquisition efforts to preserve this habitat concentrated on fee purchase for assuring recreation useage. The new preservation efforts will also include conservation easements, which will lower the total cost of the project.

The refuge lands to be preserved as native brushlands total approximately 60,000 acres. The final refuge acreage will vary depending on the amount of brushlands remaining as preservation funding is made available.

Masked Bobwhite Quail, Buenos Aires Ranch

The objective is to acquire all or a significat part of the 119,000-acre Buenos Aires Ranch which contains the last remnants of critical habitat in the United States for the masked bobwhite quail. The masked bobwhite quail was listed as an endangered species by the Department of the Interior on March 11, 1967. The masked bobwhite quail recovery plan was approved on February 15, 1978.

The goal, as stated in the recovery plan, is to:

> . . .Successfully reintroduce masked bobwhite to historical habitat in Arizona and establish and manage a suitable habitat reserve there. . .

If reintroduction is successful, the Buenos Aires Ranch will probably contain the last of the masked bobwhite quail, as the last known, wild population is being rapidly extirpated in Mexico. Historic overgrazing has been a major contributing factor to the decline of suitable masked bobwhite habitat.

CROCODILE LAKE NWR

This proposal is a continuation of acquisition for the 7,100 acre Crocodile Lake NWR, located in the northern part of Key Largo, Florida. The project area contains about 5,600 acres of mangrove swamp, 1,200 acres of forested uplands and 300 acres of open water. The uplands contain Florida's most threatened wildlife ecosystem -- West Indian hardwood hammocks -- the last unspoiled remnants in the United States.

The entire refuge area is within the designated Critical Habitat for the endangered American crocodile. It is prime feeding and nesting habitat for this as well as a number of other endangered species, including the West Indian manatee and the Schaus swallow-tail butterfly. The 1,200 hardwood hammock acres are essential habitat for the survival of the endangered Key Largo woodrat and Key Largo cottonmouse.

The major threat to this area is conversion of the uplands to housing, shopping centers, hotels and other developments. The wetland areas have suffered severe alteration from dredging, filling, and construction activities. Acquisition by the FWS is the best means of effectively controlling human disturbance, for which the crocodile in particular has very little tolerance. It is expected that acquisition for this endangered species will be completed with this project.

CALIFORNIA CONDOR
Hudson Ranch, CA

The purpose of this proposal is to preserve and protect a significant portion of the 13,820 acre Hudson Ranch and certain adjacent lands as habitat for the endangered California condor. Region 1 staff conservatively estimate that all roosting and major condor feeding areas in the Bitter Creek region would be included in this proposed 20,940 acre acquisition. The major threat to the habitat is a change from grazing and grain production to development of 20-acre homesites with its concomitant disturbance factors.

According to Dr. Noel Snyder of the Condor Research Center (CRC), Hudson Ranch is the single most important California condor use area. They feed, soar and roost within this ranch and on adjacent ranches. Since the CRC has been working on the area, they have documented use by all known nesting pairs of condors, and all but a single bird of the entire population have been seen there. In addition, up to 13 condors have been sighted together on the ranch, giving it great current and potential use in trapping and feeding programs and in releasing birds back to the wild.

KEY DEER NWR
No Name Key

No Name Key, which includes pinelands, tropical hardwood hammocks, and open mangrove-prairie areas, is extensively used by the endangered Key deer. Several other rare and endangered species are also found here, including the bald eagle, peregrine falcon, brown pelican, osprey, white-crowned pigeon, mangrove cuckoo, West Indian manatee, American alligator, and American crocodile.

Acquisition of No Name Key is recommended in the FWS concept plan, Significant Wildlife Resource Areas of Florida. The greatest threat to habitat in this area is residential development, with its resulting canals and land clearing. Although there is no piped-in water or electricity available, several houses are under construction; development will escalate when utility lines are constructed. There is already considerable use of the area by non-residents, and critical habitat suffers from trash-dumping, trail-biking, plant collecting, and wood cutting.

LOWER SUWANNEE NWR
Dixie and Levy Counties, Florida

When completed, this refuge will preserve 57,000 acres of unique and significant fish and wildlife habitat. The NWR includes the lower Suwannee River, adjacent fresh and salt water wetlands and associated prairie and forested uplands. The area is used by resident and wintering waterfowl, and 13 threatened or endangered species -- including the bald eagle, peregrine falcon, and red-cockaded woodpecker. Notably, the refuge provides essential nursery habitat for the endangered West Indian manatee.

Acquisition of the lower Suwannee area is necessary because its important habitat resources are being degraded by intensive forest cutting and commercial development associated with the dramatic population influx in Florida.

CURRITUCK

The Currituck NWR was established to preserve habitat critical to wintering waterfowl of the Atlantic Flyway. The project area includes all of Swan Island and part of Monkey Island -- covering 1.6 miles of beachfront. The Nature Conservancy will be donating a conservation easement of approximately 5,000 acres of marshland and shoals adjoining the Swan Island tract.

The proposed acquisition, totalling 750 acres would have an important recreation value for the refuge. Without protection, this area -- particularly the beachfront -- would be subject to intensive development, which would result in serious deterioration of adjoining marshland and concomitant jeopardization of wildlife.

Moapa Dace

This proposal is for the continued acquisition of essential habitat for the Moapa dace. It encompasses approximately 56 acres of two adjacent, semi-arid desert tracts. One tract was acquired in fiscal year 1979 and the other in fiscal year 1983. The two tracts proposed for acquisition are private ownerships, one of which contains warm springs and associated outflows. The second tract has the outflow waters within the creek bottoms.

The endangered Moapa dace is completely dependent on this habitat since this species is found nowhere else in the world. Two attempts have been made to transplant this fish into waters of two other areas; both transplant attempts have failed and acquisition is deemed the only alternative. Factors which have lead to the degradation of the dace's habitat are (1) introduction of exotic fish species; (2) introduction of harmful chemicals; (3) removal of vegetation from spring pools, channels and stream sides; (4) concrete capping of the spring heads; (5) concrete lining of channels. Future threats of destruction come from alteration of habitat (development) and the potential increase in the water needed for private residences and recreation.

Acquisition will be accomplished through fee and easement. It is anticipated that the acquisition of 56 additional acres will complete this endangered species refuge.

Kirtlands Warbler

This proposal is for the continued acquisition of nesting and associated foraging habitat for the Kirtlands warbler. The parcels proposed for acquisition are identified for protection in the recovery plan. They are private inholdings within the Ogemaw State Forest. These tracts are actively being subdivided into 10-acre parcels and have wide appeal to non-local buyers from the surrounding cities for seasonal recreation.

The endangered Kirtlands warbler requires specific breeding habitat. Nearly all nests are found on jack pine stands five to twenty feet tall (8 to 21 years old) which have resulted from forest fires. In order to proceed with the prescribed burning outlined in the Cooperative Management Agreement (U.S. Fish and Wildlife Service, U.S. Forest Service, and the State of Michigan) inholdings within the State Forest should be in public ownership. The decline in the population of the warbler from approximately 1,000 birds in 1961 to about 214 nesting pairs at present has resulted in the species being placed on the Federal endangered species list. In the decline between 1961 and 1971, the population decreased across its entire range, with nesting only continuing at a normal density in the center of the range. This fact coupled with habitat studies done in these areas indicate that suitable nesting habitat is the key to the survival of the warblers.

Management of the dry site jack pine community under the strategy outlined in the habitat management plan will simultaneously provide sustained habitat conditions for a wide variety of plant and animal species including the Kirtlands warbler, and a valuable wood fiber resource for man.

Exchanges have been completed between the Forest Service and the State of Michigan to consolidate the holdings of each agency. The acquisitions would consist of the remaining private inholdings of Kirtlands warbler habitat within the State of Michigan Forest boundary.

FLORIDA PANTHER
Fakahatchee Strand, Collier County Florida

The unique and environmentally sensitive Fakahatchee Strand area has been designated Critical Habitat for the endangered Florida panther. The Strand is one of the larger remaining wilderness habitats in Florida and supports a wide variety of wildlife. Most of the area is relatively inaccessible and is one of the few remaining retreats for both the panther and the Florida black bear.

The Strand is a vegetatively diverse area of large oaks, maples, cabbage palms, and tropical trees. Royal palms tower above the canopy, and numerous varieties of epiphytes, ferns, vines, and shrubs form a dense understory. Pop ash, pond apple, and cypress dominate the deep-water areas. The Strand is known for its abundance and variety of air plants. Over 45 species of orchids have been identified.

In addition, the Strand provides a natural mechanism for flood control, water purification, and aquifer recharge. However, with the increasing density of human population in south Florida, the Strand's integrity is in jeopardy. Urgent controls are needed to minimize the encroachments of urban expansion.

The Recovery Plan for the Florida panther states: "...it is vital to acquire the remainder of the Fakahatchee Strand and the prairies and cypress forests adjacent to it to insure that a unified management strategy can be affected for the area, and to provide and extremely important corridor of natural habitat between the Fakahatchee Strand, the Big Cypress National Preserve, and the Everglades National Park." The proposed acquisition will accomplish this goal.

OKLAHOMA ENDANGERED BAT CAVES

The objective is to acquire conservation easements (preferred method) or fee title to 13 bat caves and the peripheral foraging areas used by Ozark big-eared bats and gray bats. The Department of the Interior listed the Ozark big-eared bat and the gray bat as endangered species on November 30, 1979, and and April 28, 1976, respectively.

Both species of bats inhabit caves year round; and both are highly intolerant of human disturbance, particularly during the hibernating and maternity periods. The recovery plans for each of these species lists human disturbance of the roosting sites as the main reason for the population declines and their endangered status. The recovery plans for each of these species ranks protection of the bat roosting caves as the number one recovery action priority. Protection of the roosting caves and peripheral feeding area should contribute more to the bats recovery than all other conservation measures combined.

Blunt-nosed Leopard Lizard

The native habitat for the blunt-nosed leopard lizard and the San Joaquin kitfox is the San Joaquin Valley of California. The valley floor is being cleared and leveled for irrigated cropland at a rate of 36,000 acres per year. As of April 1976, only 228,000 acres of this once extensive wild habitat remained within the valley floor. The blunt-nosed leopard lizard's recent decline in its range and numbers is due to the rapid increase in the leveling and cultivating of the arid lands in the Valley. Individual lizard populations are totally lost when an area is cultivated. The blunt-nosed leopard lizard recovery team has identified the priority areas for acquisition, totaling less than 31,000 acres of good lizard habitat.

The program objective of preventing the species from becoming extinct and assuring a population status so the species can be delisted more than likely cannot be accomplished without protecting a significant portion of the target habitat. A wide distribution of the species' populations and adequate habitat is necessary before delisting can be considered.

Pahrump Killifish

The endangered Pahrump killifish was originally found only at Manse Spring in southern Nye County, Nevada. It became extinct in its native habitat in 1975, when Manse Spring dried due to excessive pumping of ground water for agricultural development. Prior to this time, because of declining water levels and other potentially adverse activities, a few of the fish were transplanted in 1970 into an isolated spring in southern Nevada as a safeguard.

The Pahrump killifish now exists in transplanted populations in only two locations; Corn Creek Springs Pond on the Desert National Wildlife Refuge and Shoshone Ponds on Bureau of Land Management lands. The Shoshone Pond is only a temporary holding site until other suitable permanent transplant locations can be acquired and developed.

Management of water at Corn Creek Springs is important because of its limited volume. Adjacent to the Corn Creek Field Station is a 40-acre inholding which has recently been sold for development purposes. The Corn Creek water supply is totally dependant on an aquifer. Subdivision development could deplete the water supply underlying this tract to the point of drying up the Corn Creek Ponds, as pumping for irrigation destroyed the killifish's native habitat, Manse Spring.

KARL MUNDT NWR
Boyd, Nebraska and Gregory South Dakota

The Karl Mundt NWR provides important wintering habitat for the endangered bald eagle. The area is primarily comprised of riparian habitat, with large cottonwood trees used by the eagles for roosting. Bank erosion along the river and human disturbance of the roosting area are currently threatening the integrity of the refuge.

The present easements do not allow for maintenance of the existing timber stands. Acquisition by the FWS would permit sustained forest management and help protect a greater portion of the eagles' winter home range.

FRINGE-TOED LIZARD

The fringe-toed lizard, found in the Coachella Valley of California, was listed by FWS in 1980 as a threatened species. Since then, the Service has been working with the California Department of Fish and Game, the University of California (Riverside), and the Nature Conservancy to determine appropriate boundaries for a habitat preserve.

The planned project area totals about 12,000 acres. This proposal represents only a portion of that area -- approximately 1,250 acres of high quality, critical habitat for the lizard. The Palm Springs area is undergoing rapid development, and until a preserve for the lizard is established, the species' existence will continue to be in jeopardy.

San Francisco Bay National Wildlife Refuge

Public Law 92-330, June 30, 1972, established this 21,662-acre refuge to protect the wildlife resources of the South San Francisco Bay area, provide wildlife-oriented recreation and preserve a natural area in close proximity to a large urban center. The marshes, mud flats, open water, and salt ponds form an ecosystem which supports a rich diversity of fish and wildlife. It is a major nesting and feeding area for waterfowl and shorebirds, hauling out ground for the harbor seal and habitat for three endangered species. Complete acquisition and development will provide the more than one million visitors annually, opportunities for fishing, animal and bird observation, research and environmental education.

Public Law 96-290, June 28, 1980, increased the authorization for land acquisition by $4.2 million to be available until September 30, 1983, and authorized the purchase of lands and waters and interests therein subject to the interest of the State of California in lands now or formerly flowed by the tide, including the public trust of the State.

Legislation extending the authorization an additional 3 or more years but not increasing the monitary authorization is anticipated. Sufficient funding is within the current authorization to complete the unit.

Great Dismal Swamp National Wildlife Refuge
Cities of Suffolk and Chesapeake, Virginia
Camden, Gates and Pasquotank Counties, North Carolina

Public Law 93-402, approved in August 1974, authorized the establishment of the Great Dismal Swamp National Wildlife Refuge. Originally covering over 500,000 acres, the Dismal Swamp area has been greatly reduced, primarily as a result of agricultural land conversion. It is felt, that the preservation of approximately 123,000 acres is necessary, to maintain the Swamp as a viable ecological entity. To date, over 102,000 acres have been acquired by the Service via donations and fee purchases. Another 10,000 acres are to be added in the future.

Although the Great Dismal Swamp is primarily known for its wildlife diversity, the Swamp's location, allows for an overlapping of the ranges of both northern and southern plant species. This has resulted in a unique variety of plant communities. From a historical standpoint, the Swamp is significant in that George Washington, our Nation's first president, spent a portion of his career surveying the miles of canals that criss-cross the area. Its close proximity to the rapidly expanding Norfolk/Virginia Beach complex, also helps to satisfy the wildlife-oriented recreational and educational needs of the area.

Trustom Pond National Wildlife Refuge
Washington County, Rhode Island

Trustom Pond National Wildlife Refuge, located along the southern coast of Rhode Island, was established through a donation of 365 acres of migratory bird habitat. The donor, as well as the surrounding landowners, shared an intense interest in preserving wildlife values and supported "open space" protection concepts. This attitude resulted in protection of a tidal pond complex unmatched along the southern coast of New England.

Trustom Pond, Card's Pond and the surrounding area provide a diversity of wildlife habitat. It includes both fresh and saltwater marshes, barrier beach, woodlands, grasslands, shrub/wooded swamps and shrub thickets. The area is primarily known for its diversity of bird life, with over 275 species having been observed throughout the area.

Threats to the area, are the result of improved transportation facilities and decentralized industrial centers. This has caused an increasing number of residents to relocate in the southerly portion of the State. This has also severely threatened the remaining "open space" along the coast and reduced both the quality and quantity of wildlife habitat. The current landowners of "open space" acreage are facing increasing taxes and development pressures. These pressures will eventually force the conversion of wildlife habitat to residential complexes.

In 1980, a new boundary was proposed which provided long term protection to the Trustom Pond complex. Approval of the proposal in 1981, authorized the acquisition of an additional 635 acres of prime habitat. To date, one 63 acre parcel has been purchased, via emergency Land and Water Conservation Funds and an additional 151 acre parcel was donated by the Rhode Island Audubon Society. The proposed addition to the Trustom Pond National Wildlife Refuge would increase its size from 579 acres, to a total of 1,000 acres. The addition involves 13 ownerships to be acquired, utilizing full fee title purchase on one and conservation easements and cooperative agreements on the remaining 12 parcels.

CLEAR CREEK GAMBUSIA, WILKINSON RANCH

The objective is to continue to pursue a conservation easement (preferably) or fee title to 10 acres of land designated as critical habitat for the Clear Creek gambusia. The Clear Creek gambusia was listed as an endangered species by the U.S. Department of the Interior in 1967 and by the Texas Parks and Wildlife Department in 1973. A small pond, with excellent spring water, is the only known habitat for this species.

A recovery plan for the Clear Creek gambusia was approved for implementation on April 16, 1980. The recovery plan recommends that the first priority for recovery be the acquisition of management rights of the property from the present owners by purchase or easement. Securing management rights to the 10 acres of critical habitat for this species, encompassing the pond and spring, should ensure that the Clear Creek gambusia will have suitable habitat sufficient for survival.

NATIONAL ELK REFUGE

The National Elk Refuge was established primarily for providing protection and management of the elk. The primary management program on the refuge is directed toward obtaining optimum utilization of all forage by wintering elk herds. This proposal is for acquiring inholdings to better achieve the objectives for which the refuge was established. During the past several years, encroaching private development and other pressures have begun to disrupt migratory patterns of elk. It is important to acquire in fee, or less than fee, additional lands within the Executive Order boundary in order to minimize disturbances to elk that forces them into confined areas during critical periods.

Current land protection measures are concentrating on exchange proposals on Tracts (122b), (135a), (125), and (154) using Public Domain lands in the State of Wyoming, due to the lack of LWCFs for the National Elk Refuge. These exchanges are extremely difficult to consummate and may never be accomplished, therefore, funding for these tracts will be requested in future fiscal years. The above tracts are susceptible to immediate development as dense housing subdivisions. In addition, Tracts (130) and (131) are proposed for acquisition as soon as funds become available, as they have been identified as the No. 1 priority for protection within the National Elk Refuge.

The pressure created by development of any of these tracts will have a permanent effect on the elk and other wildlife populations of the area.

Kofa National Wildlife Refuge

The objective is to accomplish the close out of patented mining claims before expiration of the temporary public land closure order in 1993. Also proposed is a continuation of the acquisition by exchange of State-owned inholdings located within the refuge boundary.

The Bureau of Land Mangement and U.S. Geological Survey will have mineral evaluation personnel available, in January 1984, to conduct an appraisal of mineral potential for the entire Kofa refuge; including, 660,000 acres of public domain land under temporary withdrawal from mining sites, and 16,204 acres of State surface and subsurface ownership scattered throughout the refuge boundary. This proposed mineral study will also cover the lands included in the U.S. Fish and Wildlife withdrawal application (A7950) proposing that an additional 87,200 acres of public land be added to the Kofa refuge.

These actions are necessary to ensure the continued protection of the desert bighorn sheep.

Minnesota Valley National Wildlife Refuge

The Minnesota Valley National Wildlife Refuge was established by P.L. 94-466, October 8, 1976. This refuge was established to preserve the natural resources in the segment of the Minnesota River Valley adjacent to the Twin Cities and its suburbs, and to make the resources available to the people for wildlife-oriented public use. These goals will be accomplished through a coordinated Federal, State, and local effort. Public use opportunities to be created include hiking, nature study, environmental education, fishing, hunting, wildlife observation, and other wildlife-oriented activities. All these activities would benefit from the planned wildlife mangement programs. The acquisition and management by Federal, State, and local governments will ensure the preservation and management of this natural area for more than 2,000,000 urbanites in the immediate vicinity of the refuge and recreation area.

Land acquisition began with the FY 1978 appropriation. Due to the spiraling land values the appropriation authority within P.L. 94-646 is insufficient to complete the project. Legislation increasing the funding authorization and extending acquisition authority beyond September 30, 1983, will be necessary for the completion of the refuge.

Tinicum National Environmental Center
Delaware and Philadelphia Counties, Pennsylvania

Public Law 92-326, approved June 30, 1972, authorized the Service to acquire 1,200 acres of land on the outskirts of the Philadelphia metropolitan area. This was an excellent opportunity to protect the last remaining tidal marsh complex in Pennsylvania and to provide wildlife-oriented recreation and interpretation programs to a large urban population.

Land acquisition began in 1975. Because of budgetary limitations in the appropriation authority, P.L. 92-326 has been amended periodically. This has enabled increased funding authorizations and provided for the continued acquisition of additional lands. To date, the Service has acquired 842 acres of land by donation, transfer, or fee purchase.

BRAZORIA NATIONAL WILDLIFE REFUGE

The objective is to acquire 400 acres of a 1,353-acre privately-owned tract located adjacent to Brazoria NWR. The major reasons for acquiring this land are: (1) It would serve as a base for wildlife-oriented, public-use activities; (2) it would preserve, and add to Brazoria NWR, valuable wildlife habitat of a diversity not now found on this or any other coastal refuge; (3) it would help solve an access problem to Brazoria NWR; (4) it would serve as a headquarters for the refuge; and (5) it would end a possible threat of habitat loss on a site ideally located or suited for resort or industrial development.

The diversity of habitat on the proposed property provides for outstanding wildlife values. Big Slough and Square Island Lake are utilized by migrating waterfowl, a variety of marsh and wading birds, and a healthy population of American alligators and, because of elevation ideally suited, as a site to provide needed visitor facilities. Sandhill cranes, Canada geese, various raptors, bobwhite quail, mourning dove, and the coyote-red wolf hybrids are common to the ridges along Big Slough adjacent to the lower marshlands in the present refuge boundary. The patches of woody vegetation on these ridges are perhaps the most valuable habitat. They provide the first "tree line" rest stop encountered by migrant passerine species as they come across the Gulf of Mexico.

The Brazoria NWR complex is presently administered from an office located approximately 25 miles from the refuge. No daily operations are based at the refuge due to a lack of facilities, low elevation, and lack of a building site on previously acquired lands. The present access road was donated to FWS by the same owner of property proposed for acquisition. Effective management is severely hampered by the lack of visitor facilities and suitable administrative site at the refuge.

Once this 400-acre tract is purchased, it will be possible to construct administrative and maintenance facilities and a visitor center to assure future protection of the wildlife utilizing the Brazoria refuge. A portion of the ridge along Big Slough reaches an elevation which is adequate for construction of facilities, such as a visitor-contact station and restrooms. The wooded area around Square Island Lake and along Big Slough would be excellent for development of birdwatching trails. This added diversity of habitat would also provide excellent opportunities for a compatible environmental education program on the refuge. Completion of this project would contribute to energy conservation by reducing travel, contribute to proper management and security, and enhance public-use opportunities on the refuge.

BON SECOUR NWR

Bon Secour NWR was established to preserve fragile barrier island habitat along the Alabama Gulf Coast. The refuge contains one of the last remaining large segments of undeveloped beach/dune areas in existence between Florida and Mississippi.

There are at least 10 federally listed endangered or threatened species whose range is within or adjacent to the refuge. Those species present in the area -- either seasonally or year round -- include the American alligator, Eastern brown pelican, bald eagle, peregrine falcon, red-cockaded woodpecker, and 5 species of sea turtles that use the adjacent off-shore waters. Alabama lists at least 42 species on the refuge that are endangered, threatened, or of special concern in the state.

Steady encroachment of residential and commercial development is threatening this relatively pristine area by degrading or destroying existing habitat. This acquisition project will help to buffer these development impacts.

BOQUE CHITTO NWR

The Boque Chitto NWR was established to preserve a unique backwater swamp ecosystem along the lower Pearl River in Louisiana and Mississippi. The refuge is an alluvial floodplain swamp with a great diversity of plant and animal species. The three waterways that form the core of the refuge -- West Pearl River, Holmes Bayou, and Boque Chitto River -- are in the state of Louisiana's Natural and Scenic Streams System.

The endangered bald eagle and American alligator are known to occupy the area, along with 86 species of birds, 5 species of forest game, 14 species of sportfish, and 7 species of commercial fish.

Clearing for agricultural and silvicultural purposes threatens the entire area. Acquisition by the FWS is critical to the preservation of the important habitat values of this NWR.

Great Swamp National Wildlife Refuge
Morris County, New Jersey

The Great Swamp National Wildlife Refuge lies within a large basin-like area in the upper Passaic River watershed. It consists primarily of wooded swamp interspersed with marginal uplands exhibiting agricultural or limited residential uses. Being one of the largest undisturbed wetland areas in northern New Jersey, it has considerable value for migratory waterfowl. In addition, the refuge's location, in relation to New York City and the surrounding metropolitan area, has resulted in a wildlife-oriented public use visitation rate that exceeds 225,000 per year.

The expansion of industrial and commercial firms in nearby counties has placed tremendous pressure on landowners of those remaining developable (and marginally developable) lands remaining in Morris County. This developmental pressure will have considerable impact on those unacquired lands within the approved refuge boundary.

If acquisition is not completed, areas such as the most recently approved Black Brook addition will be developed for both single and multi-family housing. This will result in further degradation of the water quality, reduce flood protection, destroy wildlife habitat and reduce refuge management capabilities.

Approximately 5,200 acres of the refuge was originally acquired as a result of a combination of donations and purchases under the Migratory Bird

Conservation Program. Since 1972, the expenditure of over 3 million dollars of Land and Water Conservation Act appropriations has resulted in the acquisition of-an additional 1,053 acres. Since funding under this program has not been available since 1980, the impacts from development, continue to threaten the ecological integrity of the areas.

PARKER RIVER

Parker River NWR is located 35 miles north of Boston on Plum Island. The refuge's 4,650 acres encompass a diversity of habitats, including barrier beach and dunes, tidal salt marsh, freshwater impoundments, forested uplands, and grassland. There is likewise a great diversity of wildlife species on the refuge. The refuge provides nesting, migration and wintering habitat for hundreds of bird species, including the bald eagle and peregrine falcon. Red fox are typical in the upland sites, muskrats are common in the impoundments, and harbor seals are found in the refuge tidal waters.

The proposed acquisition of less than 10 acres would provide a site for new refuge headquarters. Currently there is no place on the refuge where construction would not seriously impact fragile wildlife habitat.

STATEMENT OF WILLIAM D. BLAIR, JR., PRESIDENT, THE NATURE CONSERVANCY

Mr. Chairman, members of the Subcommittee, my name is William Blair and I am the President of The Nature Conservancy, a non-profit national land conservation organization. I would like to thank the Committee very much for the opportunity to submit for the record The Nature Conservancy's views on the Department of Interior's proposed budget for fiscal year 1985. I shall focus my remarks on one aspect of the budget, the Land and Water Conservation Fund and land acquisition.

The Nature Conservancy is encouraged by the funding levels in the Land and Water Conservation Fund proposed by the Administration for FY 1985. The proposed budget reflects a new commitment by the Administration to fund much needed land acquisition, a commitment that is welcome. This action begins to close the gap, somewhat, between the government and the private sector efforts to preserve the best and ecologically most important of our remaining natural lands and waters. As the largest private purchaser of natural lands for conservation in this country, the Conservancy last year acquired 148,500 acres with a fair market value of approximately $43 million. As I believe these figures suggest, we are making every effort to mobilize private-sector resources to accomplish this goal, but in the relatively few years we have remaining to finish the task it is quite clear that private programs alone will not be adequate to get it done. We are encouraged that the federal government will, once again, renew its land preservation efforts.

We would recommend, however, that the proposed funding level for the Land and Water Conservation Fund, especially as it relates to the United States Fish and Wildlife Service and the state grants portion, be increased.

Over the years, as members of this Committee know, The Nature Conservancy has assisted various federal agencies, at their request, in their efforts to protect endangered and threatened species and ecosystems through cooperative acquisitions. Our participation in these cooperative ventures has had many advantages for federal agencies. As a private organization, highly specialized in this work, we can move quickly on a purchase which would take the Federal Government time. We regularly acquire land without the threat of condemnation, or in cases where a landowner may not care to deal with government. We can often acquire land at bargain rates where government would have to pay full market value.

The bulk of the Conservancy's acquisitions for government conservation agencies have been done for the U.S. Fish and Wildlife Service, since its objectives most clearly parallel the Conservancy's. In each case, we turn the properties over at our cost only. This Committee has been very responsive in providing the necessary funding so that the Conservancy could recover its costs in our outstanding cooperative acquisitions. We are very grateful for your action and support. This year, we respectfully request that funds be added to the Fish and Wildlife Service's budget to cover the cost of our cooperative acquisition at Banks Lake, Georgia.

The Conference Report, on the FY 1984 Interior Appropriations, included the following language concerning Banks Lake:

> "The managers urge the Forest Service, the Fish and Wildllife Service, the Nature Conservancy and the State of Georgia to investigate the possibility of developing a cooperative agreement for management of lands at Banks Lake, Georgia, as a wildlife refuge. The managers are concerned that the 3,559 acre parcel held by The Nature Conservancy at Banks Lake, Georgia, is not of sufficient size to be managed as a National Wildlife refuge. The managers understand that the Forest Service has land adjacent to Banks Lake that could be added to the land currently owned by the Nature Conservancy and more properly managed as a viable refuge. The managers will reconsider acquisition at the next available opportunity."

We are pleased to report that excellent progress is being made in this regard. Representatives from all of the organizations have met recently, and will continue to meet, to work out a solution that is acceptable to all parties. The first step in any solution, however, will necessarily be the transfer to the Fish and Wildlife Service of the Banks Lake property. Accordingly, we respectfully request that this Committee provide $608,000 in the Fish and Wildlife Service's budget for this transaction. This amount represents less than the Conservancy's cost in the project but it is the amount that this Committee funded in last year's appropriation.

The Nature Conservancy also supports an appropriation of $5 million under the Endangered Species Act for acquisition of critical habitat of the Coachella Valley fringe-toed lizard. The Conservancy, at the request of the Fish and Wildlife Service, has been working to help establish a preserve for the preservation of the fringe-toed lizard. The boundaries of this preserve, established after careful study and cooperative effort with the Service, local scientists and developers in the valley, have recently been agreed upon. The preserve will be of sufficient size and configuration to provide permanent protection for the federally listed fringe-toed lizard.

This preserve is a remarkable example of cooperation under the Endangered Species Act. Environmentalists and developers alike unanimously endorse the proposed preserve. Land values in this area are exceedingly high and, consequently, creation of the preserve will be expensive. Because of this, no single entity could be expected to successfully complete the project. Instead, it is proposed that private and public interests cooperate and each contribute in amounts proportionate to their respective capabilities. The Conservancy will contribute $2 million through private fundraising, the California Wildlife Conservation Board $1-2 million, local land developers (through mitigation fees) $7 million, the Bureau of Land Management $5 million (through land exchanges) and the Fish and Wildlife Service $10 million. This will total the roughly $25 million necessary to acquire the 13,000 acres that comprise the preserve.

This is a project the will take some time to complete. Consequently, it is our hope that the Fish and Wildlife Service participation will be on an incremental basis: $5 million in FY 1985, $3 million in FY 1986 and $2 million in FY 1987.

I would like now to turn briefly to the state side of the Land and Water Conservation Fund. This program has been one of the major sources of funding for state natural Heritage programs. The programs, operating in more than thirty states, with the assistance of The Nature Conservancy, are an ongoing inventory and data base of a state's natural diversity. This information identifies what is important to preserve of a state's flora and fauna and assists public and private agencies in planning, whether for development or conservation purposes. It is a conflict avoidance tool.

This year there will be $75 million available to the state grants program of the Land and Water Conservation Fund. The Administration, however, proposes once again to eliminate this program. We urge the Committee to reject that request and fund the state grants program at a level that, at a minimum, is consistent with the funding levels approved by this Committee last year.

I would like to briefly state the Conservancy's enthusiastic support for the proposed initiatives in wetland preservation. The Conservancy believes that wetlands preservation is the most pressing need in conservation today. The alarming rate of which our wetlands are disappearing is well documented. We are heartened that the Administration has chosen to commit resources to this effort and we urge this Committee to provide the necessary funds for the proposed projects in the wetlands initiative.

Lastly, in regard to Section 6 grants to states under the Endangered Species Act, the Conservancy urges that the Committee recommend appropriation of the full $6 million authorized by the Act. This would provide state agencies with the funds needed for the critical inventory and identification work of endangered species preservation.

In these times of especially pressing needs and limited resources, it is especially difficult to assign priority to any needs but the most immediate. The need to act positively to bring under protection the most critical of the fast dwindling biological resources of our country is urgent. We are consuming our natural capital, and our children and grandchildren will suffer the consequences. Your generation and mine has a heavy responsibility to our successors to act now before it is too late.

STATEMENT OF CHRISTOPHER N. BROWN, CONSERVATION DIRECTOR, AMERICAN RIVERS CONSERVATION COUNCIL

Thank you, Mr. Chairman, for the opportunity to testify on rivers programs in the Interior Department budget for Fiscal Year 1985.

My name is Christopher Brown and I am the Conservation Director for the American Rivers Conservation Council. ARCC is a private non-profit organization based here in Washington representing those all across America who value the beauty, the tranquillity, or the exhilaration of a free-flowing river. It has been ARCC's work, along with other conservation groups, to see that some vestiges of our river heritage are preserved.

Rivers! The tens of millions who boat, swim, travel, drink, fish, or otherwise use our rivers each year know something of their importance in our lives. The billions of fish and trillions of smaller organisms, while less sentient, nonetheless on some level acknowledge and appreciate the home which a river provides, while themselves being a crucial foundation block in our ecosystem.

When we come to dollars for rivers in the Interior budget for FY '85, they are few. The rivers programs are in near total obscurity.

My interest here today is to give you a brief but closer glimpse at the rivers budget: the resource, the threats, the record, the successes, and the opportunities. I will speak about two programs: the Land and Water Conservation Fund monies for riparian land protection, and the technical assistance program for river conservation.

Land and Water Conservation Fund

Of the 61 rivers in the National Wild and Scenic Rivers System, fully 23 (in the lower 48 states) have some land acquisition needs to see them fully protected. We have looked closely at the threats on those rivers, and at the President's intentions as expressed in his budget request of $1.5 million, and find a very wide disparity. Even facing the reality of the budget deficit and the need for fiscal frugality, we nonetheless feel that a total of $16.2 million in FY '85 is needed to protect critically threatened portions of 18 rivers. Of these, 14 are in the National Wild and Scenic Rivers System, and 4 in other federal ownership.

A complete list of what we see as the critical protection needs is attached, and expanded in the "Land and Water Conservation Fund: The Conservation Alternative for FY '85" which I believe you have already received. But let me highlight just a few dramatic cases which persuade us to push so hard for funding for rivers.

o The Flathead Wild and Scenic River in Montana: prime grizzly bear habitat, on the flanks of Glacier National Park, a popular recreational river. Development pressures and subdivisions are occurring, with many landowners willing to sell to the Forest Service, but determined to sell on the market if no federal money is available.

- The Greenbriar River in the Monongahela National Forest in West Virginia, where purchase by the Forest Service of a railroad-owned riverside strip of land only 100 feet wide (but 23 miles long) would protect that one long riverbank on this Wild and Scenic study river.

- The North Fork of the American River in California, where already newspaper ads proclaim "our own mile of wild river".

These cases are merely the surface of a problem: that our Wild and Scenic Rivers system desparately needs funds to see through the promise of preserving a few of our finest free-flowing rivers. I hope this committee will take the lead, in continuing the job of protecting these rivers.

Technical Assistance for River Conservation

River Conservation Technical Assistance is one definable program under "National Recreation and Preservation Programs", subactivity "Natural Programs". Despite its virtual burial within the National Park Service budget, this program is the one we consider to be the most vital and vigorous occurring in river conservation today. Things are getting done!

A few examples:

State River Inventories - Last year I could report the success of the Maine Rivers Assessment, conducted cooperatively by the Park Service and the State of Maine. Since that time, and as a direct result of the assessment, 1100 miles (fully 3%) of Maine's rivers have been set aside to be forever free-flowing and preserved. Impressed with these results, the state of Vermont is currently engaged in a similar statewide inventory. Maryland's is near completion. Connecticut and New York have requested help on statewide assessment when Park Service funds and staff are available. These statewide studies both identify the many threats to our rivers and mobilize local action to deal with them.

River studies and management - Individual rivers also receive attention under the technical assistance programs. Working gingerly with 17 local towns, a local watershed association, and the state of Connecticut, the NPS has developed a conservation strategy over the last year for the Farmington River, a river which is both geographically and functionally central to Connecticut, providing drinking water, hydropower, boating, fishing, and swimming. The cooperative effort to manage this rich resource will soon move into the management planning phase, with a solid foundation already laid for achieving a balance of use and preservation.

Studies on the Wood-Pawcatuck Rivers in Rhode Island and the Boquet River in the Adirondack Mountains of New York have identified realistic state, local, and private actions under which the rivers can be conserved. Similar activities are underway on the Connecticut River in Massachusetts, the South Fork River on Long Island, and Schuylkill River in Pennsylvania.

But, you say, all this activity is only in the Northeast. Well, not for long. Requests have come from Oklahoma, Wyoming, California, and West Virginia. One river study is expected to be piloted on the Merced River in California in the remainder of FY '84, with other assistance projected for FY '85.

But the biggest initiative comes from the Pacific Northwest, where the Bonneville Power Administration and the Pacific Northwest Power Planning Council have requested Park Service assistance on a mammoth scale. Working cooperatively with NPS and the states of Idaho, Washington, Oregon, and Montana, BPA and PNWPPC intend to initiate a study of rivers in the four states, to integrate river resource information with future energy development plans. BPA and PNWPPC will put up 80% of the funding, with the states and Park Service providing the balance.

Rivers technical assistance is not a major Park Service program; in fact, the FY '85 Park Service budget justifications provide funds only "to complete projects underway", thus eliminating the enormous opportunities to preserve rivers and reduce conflicts between hydropower development and river conservation on the scale of the proposed BPA project. That a fine program--one which protects our vital river resources so cost-effectively, stimulates local activity, is politically non-contentious, and actively seeks to balance power development needs with river conservation--enjoys so little administration support is astounding.

But once again this year, the administration has requested a dramatic reduction in funding for rivers technical assistance. In fact, the funds for rivers assistance are lumped with Congressional rivers and trails studies, and given a proposed total of $669,000.

Because a program is cost-effective and lean does not mean it should be starved. For FY '84 the rivers assistance program operated on just over $1 million (the $269,000 administration request plus $760,000 add-on for rivers). Parenthetically, I would add that I am concerned that some of these funds have been spent on programs other than river conservation in FY '84. I hope this committee will ask the Director of the National Park Service specifically about these expenditures when he testifies before this Committee. Given that the rivers assistance program should expand into at least two more NPS Regions in FY '85, as well as continue a vital presence in the Northeast and Mid-Atlantic states, we hereby request an add-on of $1 million to the administration request for rivers, which coupled with minimal funds for trails assistance (to meet the requirements of P.L. 98-11) and Natural Landmarks, brings the total for Natural Programs to $2.041 million.

Natural Programs

	FY '84 (Approp.)	FY '85 (Admin. Request)	FY '85 (ARCC Request)
Congressional Studies (Rivers and Trails)	.375	.385	.385
River Conservation Technical Assistance	1.029	.250(est.)	1.250*
Trails Technical Assistance	.140	.034(est.)	.200
Natural Landmarks	.151	.156	.206
TOTAL	1.695	.825	2.041

(dollars in millions)

*Break-down for Rivers Conservation Technical Assistance, by NPS Region

WASO	.080
MARO/NARO	.650
WRO	.150
PNRO	.200
SWRO	.075
RMRO	.075
Training Workshops	.020
TOTAL	1.250

LWCF Funds for Rivers - FY '85 - Conservation Request

	(in millions)
Lower St. Croix SRR (NPS)	0.5
Upper St. Croix WSR (NPS)	1.5
Obed WSR (NPS)	0.5
North Fork, American WSR (FS)	0.85
Middle Fork, Clearwater WSR (FS)	0.25
Middle Fork, Feather WSR (FS)	1.0
Flathead WSR (FS)	0.8
Pere Marquette WSR (FS)	1.0
Pine (FS)	0.5
Rogue WSR (FS)	0.5
Main Stem, Salmon WSR (FS)	2.3
Middle Fork, Salmon WSR (FS)	1.0
Greenbriar (Monongahela) (FS)	0.2
Other Forest Service Rivers (FS)	2.0
Rio Grande WSR (New Mexico) (BLM)	0.1
Upper Missouri WSR (BLM)	0.5
Upper Sacramento (BLM)	2.0
Trinity WSR (BLM)	0.5
Upper Colorado (BLM)	0.2
18 (+ "other")	$ 16.20

Statement of Dr. David Kenney, President, National Association of State Outdoor Recreation Liaison Officers

Mr. Chairman and members of the Subcommittee, I very much appreciate this opportunity to testify before you concerning the Land and Water Conservation Fund. I am the Director of the Illinois Department of Conservation; however, I am here today in my capacity as President of the National Association of State Outdoor Recreation Liaison Officers. This organization is an association of persons, like myself, who are designated by the Governors of our respective states, territories and the District of Columbia to be responsible for implementing the Land and Water Conservation Fund Act. We have perceived this program to be a unique state/federal partnership which has worked extremely well for nearly 20 years to provide a significant and essential system of park and recreation resources and services.

Mr. Chairman, we want to thank you and the members of this Committee for including $75 million for the state-side of the Land and Water Conservation Fund in last year's budget. We particularly want to thank this Committee for its addition of $40 million to the House-passed Jobs Bill. These funds have been committed by the states to high priority parks and recreation projects. We believe that the support given to the program by this Committee has been multiplied many fold in state and local support and funding.

Mr. Chairman, our organization is fully aware of the pressure this Administration and Congress are under to reduce the Federal deficit, as we in state and local government face the same perplexing dilemma. At the same time, however, we are faced with trying to meet an ever increasing need for park and open space resources which are critical to the mental and physical well-being of Americans all across the country. In most cases these involve the commitment of public expenditures.

The Land and Water Conservation Fund has been one of the most important and successful park and recreation programs at the state level. It has been directly responsive to state and local needs and stimulated multiple contributions in state and local investment. Let me briefly share with you some facts and figures which reflect the current status of the states' effective management of this program.

° The passage in the summer of 1964 of the Land and Water Conservation Fund Act (Public Law 88-578) culminated an effort spanning the administration of four Presidents that focused national policy and resources on outdoor recreation needs. This Act was a landmark in the nation's struggle to preserve, conserve and to creatively utilize its outdoor resources.

° The administration of the Land and Water Conservation Fund has become increasingly efficient with the States continuing to maintain high obligation rates indicating a strong demand for Fund assistance.

° The fifty percent matching requirement of the program assures, at least, a doubling of the investment from the Fund. In addition, this is one of the few Federal grant programs which is capital intensive and results in a strong job-oriented operational commitment to projects by State and local governments.

° The Land and Water Conservation Fund program has provided matching funds for over 29,000 individual projects involving land acquisition and recreational development, amounting to an investment of nearly $2.9 billion.

° This program uniquely contributes to the public infrastructure of the nation's urban and rural areas through investments in perpetual resources; strengthens our country's social fabric through the provision of needed recreation opportunities; and, returns to local, state and national economies vast gains in employment, tax revenues and consumer expenditures generated by healthy recreation, travel and tourism industries.

° Local and state park and recreation facilities greatly relieve the demand and use of the national parks. The state-side of the L & WCF encourages states and cities to provide recreation opportunity closer to home and more accessible to low-income and handicapped persons.

° It has been a catalyst to state and local entities encouraging the acquisition of significant parcels of land

and the provision of public recreation resources and facilities with over $350 million worth of eligible projects remaining unfunded.

° The program represents an effective approach for providing recreation facilities close to the country's population centers as nearly three-quarters (75%) of the Fund assistance received by the states is passed through to local communities providing close-to-home recreational opportunities.

The fact is that for the past three years the states' side of the Land and Water Conservation Fund program has been subject to numerous funding uncertainties, a recission, a deferral and a year's moratorium. The $115 million funding this year, dictated by a responsive Congress, was a change in direction and, we hope, indicative of a new long-term direction. However, we are now again faced with uncertain funding and an unsupportive federal agency. The budget presented to Congress by the President requested a "freeze" on new federal domestic spending and yet the Administration again shows a zero for the states' side of the Land and Water Conservation Fund program despite the $115 million level in the final FY 84 Federal Budget.

Last year we indicated to you in testimony that the National Park Service no longer recognizes the federal/state "partnership" which once served as the essence of the Land and Water Conservation Fund program. We believe that this is false economy and that a message should be sent to the new Secretary at the Interior Department that the state-side of the Land and Water Conservation Fund is an important element in the overall national strategy for parks and recreation development.

We are therefore appealing to you, today, to recognize the importance of the state and local park units as essential elements in the total nationwide recreation estate and insist that the National Park Service continue the mandates set forth in the Land and Water Conservation Fund Act. With over $375 million in projects we urge you and the Committee to consider funding for at least one-third of these projects or $125 million.

In summary, Mr. Chairman and members of the Subcommittee, the National Association of State Outdoor Recreation Liaison Officers urges you to continue to support the funding of the states at a level of at least $125 million so that this vital "partnership" can continue to help sustain the recreation estate.

Thank you Mr. Chairman for the opportunity of being able to testify before you today and for your unselfish and continued support for the program.

STATEMENT OF THE NAVAJO NATION

Mr. Chairman, members of the Committee, the Navajo Tribe is submitting written comments concerning the FY '85 appropriations and related matters to the Office of Surface Mining's Abandoned Mine Lands and regulatory programs. We are interested in keeping this Subcommittee informed of the progress being made to meet the objectives of the federal Abandoned Mine Lands and regulatory programs; and to meet our annual budgetary requirement.

Since the passage of the Surface Mining Control and Reclamation Act (SMCRA) of 1977 P.L. 95-87, the Navajo Tribe has clearly expressed its views on the administration and implementation of the control and reclamation of surface mining on Indian lands to the Secretary of the Interior and in public hearings before the Congress. Throughout this participation, the Navajo Tribe has consistently expressed its desire to obtain full regulatory authority over surface coal mining activities within the Navajo Nation.

Due to the unique jurisdictional status of Indians and the federal/tribal trust relationship, there is a clear need for federal legislation to regulate surface mining and reclamation activities by Indian tribes. The Indian tribes are disappointed that the Department of the Interior-Office of Surface Mining's proposed legislation still has not been submitted to Congress as mandated by SMCRA. The Navajo Tribe has developed a Title IV and Title V program during the interim and should be eligible to participate in the manner as States in the regulatory and reclamation activities.

The Navajo Nation, through assistance and direction from OSM, has successfully implemented its reclamation and regulatory programs. Federal discretionary funds are needed to sustain and continue these programs. In practice very little appropriations have been made available for tribal reclamation and regulatory activities.

To accomplish the objectives of SMCRA, OSM must provide sufficient funds to support the program. OSM officials must remain constantly exposed to a range of reservation experiences and information to maintain contact with those people who represent tribal viewpoints.

I recommend that you mandate the Office of Surface Mining to approve grant requests to permanently establish the tribal AML and regulatory programs. There are significant numbers of abandoned coal and non-coal mine sites which present real and potential hazards to the health and safety of the Navajo people and their livestock. The purpose of this fund will be for the administration and reclamation construction necessary to abate mine related hazards.

On behalf of the Navajo Nation, I request that the Subcommittee appropriate adequate FY '85 funds for the work and Navajo Nation programs in the following manner:

Title IV Administration	$338,588.00
AML Reclamation	$500,000.00
Title V Administration	$600,000.00

Thank you for the opportunity to comment on the FY '85 Office of Surface Mining proposed budget.

STATEMENT OF DIANNE R. NIELSON, DIRECTOR, DIVISION OF OIL, GAS, AND MINING, DEPARTMENT OF NATURAL RESOURCES, STATE OF UTAH

SUMMARY AND RECOMMENDATIONS

The Office of Surface Mining (OSM) is currently utilizing a funding formula for the Coal Regulatory Program (Title V of SMCRA) issued August 16, 1982 in opposition to specific directives contained in the FY 84 Appropriations Committee report. Furthermore, OSM has attempted to implement the formula in a unilateral manner. On the basis of the information provided herein, Utah makes the following recommendations:

1. **OSM should be required to develop, in consultation and agreement with the States, a new funding formula which is equitable and reflects the effect and distribution of the significant Federal lease holdings and coal reserves within permit areas in the western states.**

2. **This Committee should utilize statutory language if necessary to require OSM to operate under the pre-August 1982 funding formula until such time as a new funding formula is developed and approved by OSM and the States.**

3. OSM should account for the $500,000 which was allocated by the Subcommittee on Interior and Related Agencies, Committee on Appropriations of the U.S. House of Representatives, last year to fund the continuation of the pre-August 1982 funding formula.

As a result of an incomplete National Abandoned Lands Inventory (NALI) prepared by OSM, Utah's need for Secretarial Discretonary Funds under the Abandoned Mine Lands Program (Title IV of SMCRA) has been seriously underestimated. Furthermore, efforts by the State of Utah to update the inventory and qualify for the nesessary additional funds have been thwarted by OSM bureaucratic delays. Without additional funds Utah will be unable to meet its program responsibilities in mitigating abandoned mine land hazards to health and public safety. The State of Utah recommends that this Committee take the following action:

1. The allocation State Share Funds from AML program income should be revised to better reflect the States' needs in abating hazards to health and public safety at abandoned coal and non-coal mine sites.

2. Pending changes in the allocation of AML State Share Funds, OSM should be required to act promptly in instituting any changes in inventory preparation and review, in order to avoid penalizing states, such as Utah, which are revising incomplete OSM inventories.

The need to conduct oversight review of the coal regulatory program is recognized by the State of Utah. However, current oversight procedures are designed to review bookkeeping functions, not on-the-ground compliance. The State of Utah recommends that this Committee take the following action:

> OSM should be required to develop and implement an oversight policy which evaluates on-the-ground compliance in order to avoid rather than simply track environmental damage resulting from coal mining.

COAL REGULATORY PROGRAM (TITLE V) FUNDING FORMULA

In 1981, 97 percent of the coal produced in Utah came from property regulated as Federal mines. On the basis of these 1981 production figures from the Office of Surface Mining (OSM) fee compliance records, and utilizing a pre-August 1982 funding formula, Utah and OSM agreed on a 98:2 Federal:State cost split for FY 82-83.

OSM implemented a new funding formula in August 1982. In 1983, the western states presented information to this Committee on the inequities of the new funding formula. At that time, this Committee directed OSM to utilize the pre-August 1982 funding formula, until such time as OSM could present justification for their new formula. An additional $500,000 in support of this directive was allocated by the Subcommittee on Interior and Related Agencies, Committee on Appropriations, U.S. House of Representatives. Utah, as well as other western coal-producing states, anticipated that their funding would reflect the directive of this Committee. As can be seen in the attached letter from Governor Matheson to Chairman McClure, OSM chose to ignore the Committee's directive.

Based on calculations by OSM under the new funding formula, OSM demanded that the State of Utah adhere to an 80:20 Federal:State cost split for FY 84-85. Furthermore, OSM insisted that Utah's Funding Cooperative Agreement for the period of January-June 1983 contain language guaranteeing the 80:20 cost split for FY 84-85. The State of Utah and one of her coal operators were held hostage by this unprecedented, unilateral demand.

Utah has gone to great efforts in securing the necessary funding for its required 14 percent share of State Program expenses, only to learn that OSM has failed to request sufficient funds to meet its obligations.

	OSM Funding FY 84-85	
	State Program Budget Estimate	OSM Budget Proposal
Cooperative Agreement	$ 837,300	$ 600,000
A & E Grant	$ 196,300	$ 300,000
Totals	$1,033,600	$ 900,000

The State requests that the OSM Budget Proposal be revised to meet OSM's share of the State program budget.

ABANDONED MINE LANDS POLICIES

The goal of the program, to mitigate abandoned mine lands hazards to health and public safety, extends to both coal and non-coal mine lands. However, in accordance with Section 409 of the Act, the State is allowed to utilize only its share of Trust Fund revenues in conducting reclamation of non-coal sites. Therefore, in planning reclamation programs under the current funding plan, the amount of the Secretarial Discretionary Fund award is critical in prioritizing coal and non-coal projects.

Utilization of program funds is based on preparation of a National Abandoned Lands Inventory (NALI). Currently, Utah's funding and program planning are restricted as a result of an incomplete inventory which was prepared by the Office of Surface Mining (OSM) prior to initiation of the State Program. Attempts by the State to update that inventory are continually thwarted by OSM bureaucratic delays. The State estimates a budget of $26 million for the life of the program. Income to the State from fees, plus a $1 million award, based on an outdated OSM inventory, leaves the State $5 million short of its program needs.

The State of Utah recommends that this Committee take the following action:

1. The formula used to determine the State Share of AML program income should be revised to better reflect the State's needs in abating hazards to health and public safety at abandoned coal and non-coal sites.

2. If use of the inventory is to be continued, OSM should be required to act promptly in instituting any changes in inventory preparation and review, in order to avoid penalizing States, such as Utah, which are revising incomplete original OSM inventories.

OSM OVERSIGHT POLICY

The State of Utah recognizes the need for an oversight program as part of the federal administration of the Surface Mining Reclamation and Control Act. However, we are concerned that the type of review being conducted, while providing an accurate evaluation of bookkeeping tasks, is not a realistic measure of on-the-ground compliance and achievement of program goals. To this end, we question whether the $20 million requested by OSM for oversight is being properly utilized to meet program requirements and objectives.

In an oversight review, a decrease in the number of violations with time would likely be interpreted to mean that the inspectors were failing to write NOV'S or take appropriate enforcement action during inspections.

The alternative interpretation is that the operator is performing the necessary maintenance in order to correct situations before they become violations, hence decreasing the number of accidents or situations which lead to environmental damage and result in issuance of NOV's. This is the true measure of on-the-ground compliance. It meets the ultimate goal of the program, which is to avoid environmental damage related to surface and subsurface coal mining.

OSM should be required to develop and implement an oversight policy which evaluates on-the-ground compliance in order to avoid rather than simply track environmental damage resulting from coal mining.

STATEMENT OF LYNN SCHLOESSER, DIRECTOR, AML DIVISION, NORTH DAKOTA PUBLIC SERVICE COMMISSION

SUMMARY

The North Dakota Public Service Commission (Commission) is authorized by OSM to conduct the State abandoned mine lands (AML) program in North Dakota. The Commission requests that subcommittee members appropriate adequate FY 1985 funds for work in North Dakota: $2.0 million state share and $2.7 million federal discretionary share funds. The Commission also requests the subcommittee to scrutinize: OSM's proposed use of the national abandoned mine lands inventory (NALI) for state and federal share fund apportionment, state-by-state AML construction cost estimation, AML construction grant application review and determination of State staffing requirements; and OSM's understanding of its role as a grantor agency.

Appropriations

OSM is requesting $291.701 million in new budget authority for FY 1985. OSM Budget Justifications, F.Y. 1985 at 117. This figure represents an increase of $20.5 million over the appropriations to date for FY 1984.

In the budget justifications for FY 1984, OSM presented a state-by-state breakdown of AML federal funding. OSM Budget Justifications, F.Y. 1984 at 64. Although no figures were given to show how the FY 1984 federal funds were apportioned between the state share and federal share, at least states had some idea as to the adequacy of OSM's overall FY 1984 budget request.

While OSM's FY 1984 budget justification was blurry, OSM's FY 1985 budget justification is mystery; no state-by-state budget estimates are provided. Similarly in the 1985 justification, there is once again "no clue" as to the amount of discretionary and entitlement funds to be apportioned to individual states.

Instead of providing a state-by-state table showing entitlement and discretionary fund apportionment, OSM makes a $263.0 million lump sum request for FY 1985. See OSM Budget Justification FY 1985, pp. 81-84. The only state-by-state figures provided are NALI "estimated expenditures need to address currently unabated Priority 1 and 2 problem areas." See OSM Budget Justification, FY 1985 at 92.

However, at least for North Dakota, the NALI estimates are a gross distortion of current federal and state state experiences (as will be described below), and attempts to base a realistic budget on such a weak foundation is a serious error.

In short, given OSM's paramount knowledge of state AML needs and OSM's propensity for detailed budgeting by the States in the budget and grant processes, it is inconsistent that Congress should accept a document so general and unclear.

OSM's budget justifications for FY 1985 is a poor document on which to base a $263.0 million portion of an overall $291.701 million appropriation request.

Please request OSM to break down the FY 1985 "Activity: State Reclamation Program Grants" state-by-state and with entitlement and discretionary amounts. Please be sure that there are sufficient funds appropriated for OSM to allocate $4.7 million to North Dakota, i.e. $2.0 million in entitlement funds and $2.7 million in discretionary funds. These funds would be used in North Dakota as follows:

Construction	
Lehigh	$ 1,625,000
South Scranton	400,000
Central Scranton	100,000
Beulah B(4)	1,200,000
Uraniferous-lignite site(s)	1,000,000
Total Construction	$ 4,325,000
Administration	375,000
Total FY 1985	$ 4,700,000

All of the construction projects listed above are projects which OSM has in whole or in part recognized as either emergency or extreme danger projects despite the fact that none have been listed in NALI as priority No. 1 projects.

The FY 1984 Congressional Message to OSM on NALI

Only a few months ago, the U. S. Senate Committee on Appropriations stated in its Report on the Department of the Interior and Related Agencies Appropriation Bill, 1984 at 41:

> "The Committee is aware of problems identified by many States and by the Inspector General of the Department of the Interior with the national abandoned mine land inventory. Among other complaints registered against the national inventory are that it is based on incomplete data, the prioritization of Stat projects is incomplete, and that States should have a more active role in determining the priority of projects to be placed on the inventory. In an effort to address these problems, OSM is expected to work with the States and develop mutually acceptable solutions. Until such are forthcoming, the Committee joins the House in urging OSM to rely less on the inventory as the basis for allocation of State reclamation grants." Emphasis added.

While OSM acknowledges receipt of the Congressional message quoted above, OSM has not communicated nor does it apparently intend to communicate with the States on this matter with the open mind suggested by Congress. Instead, OSM reads the Congressional message as Congress's intent that the inventory should be held out as "the answer" to most AML program administrative problems. OSM Budget Justifications, FY 1985 at 91.

OSM states that it "can only encourage the States' participation" in a forthcoming update process. OSM also says it is in the States' "best interest" to participate since OSM's Abandoned Mine Land Policy State indicates that NALI "will be used to allocate discretionary funds". See OSM Budget Justifications, FY 1985 at 91.

Where are OSM's words that indicate that this is a "mutually acceptable" solution? How has OSM "worked closely with the States" to improve NALI? How does OSM reach the conclusion that NALI update procedures are the only problem in need of resolution by working closely with the States and that the use of the NALI is not a subject similarly open for discussion with the States?

OSM expects to use the so-called "mutually acceptable" inventory for three purposes:

1. Apportionment of discretionary funds;

2. Review and approval of projects included in grant applications; and

3. Assistance to OSM and the States in planning and evaluating reclamation efforts, monitoring use of monies, and determining State staff requirements. See OSM Budget Justification, FY 1985 pp. 91-92.

OSM Use of NALI to Apportion Discretionary Funds

The current approach to fund apportionment through use of NALI is heavily weighted toward regions other than the West. This is wrong for several reasons. First, this mechanistic approach does not appear to satisfy Section 402(g)(1) of P.L 95-87 which states that "allocation of expenditures shall reflect both the area from which the revenue was derived, as well as the national program need." Second, the mechanistic application of NALI ignores the projects identified in "State Plans" under which State programs were originally approved by OSM. Third, such mechanistic use of NALI has not been shown to have ever been intended, needed or cost-efficient.

Alternative uses of NALI have not been the subject of discussion between OSM and the States. Such a discussion must take place prior to NALI use on apportionment of so-called "discretionary" funds.

One alternative would be to provide a minimum annual level of funding for each State to operate an efficient AML program. In North Dakota, the present minimum annual level is probably between $1.5 million and $2.0 million. The exact level of funding would depend upon the mix of projects. This estimate is based on the experience of a staff that does all major program work in-house except construction, i.e. grant writing, grant management, site investigations, procurement, engineering, and construction management. With this "in-house" effort, one cannot realistically expect North Dakota's annual administrative costs to go much below $400,000.

In short, to operate as a cost-effective unit and meet all program requirements, a North Dakota AML program should expect a minimum of $2.0 million annually. However, this amount is more than the annual amount collected and distributed as "entitlement" funds, i.e., some discretionary funds must be forthcoming under an "acceptable" apportionment policy. The current NALI apportionment approach will not provide adequate funds for North Dakota.

OSM Use of NALI to Review and Approve Grant Applications

Present NALI cost estimates for AML hazard abatement in North Dakota are grossly erroneous. OSM presently estimates North Dakota's needed priority 1 and 2 problem expenditures at $1.25 million. Yet OSM's past and present level of funding of the same set of projects leads one to conclude that a minimum of $7.3 million is needed. Additionally, if one were to add the reclamation costs of high priority problems which have been funded in whole or in part by OSM but are not presently listed in NALI for North Dakota, it is estimated that another $8.2 million would be added.

Thus, OSM's present NALI estimate for reclamation of all priority 1 and 2 AML sites in North Dakota is arguably $15.5 million instead of $1.25 million, i.e. more than 10 times the current estimate.

There are several reasons for the gross disparity in cost estimates. The inventory cost estimates were originally made by individuals with no relevant experience or training. Present estimates were made by an experienced professional staff engineer. Original estimates were limited to sites that were identified and "validated" in the NALI process nearly four years ago. Present estimates include NALI project sites and non-NALI sites which OSM funded within the last four years as high-priority or emergency projects. Original estimates were based on no previous AML construction experience in this region. Present estimates are based on actual OSM and North Dakota costs to reclaim high-priority NALI and non-NALI sites in North Dakota.

Not only is the total NALI figure incorrect for high-priority abatement, site-by-site NALI estimates for North Dakota are just as erroneous. For example, the site called "ND014 Beulah" is listed in NALI as a priority 2 site with a $50,000 estimate for abatement. Today the same site has been the subject of two instances of OSM emergency attention, and professional engineering estimates indicate a minimum $3.5 million to abate the hazard. As another example, a site not listed in NALI called "Scranton" has received $1.7 million in funding from OSM.

There are many more examples of OSM's own distrust of NALI when funding individual construction grants. No one argues that those projects should not have been funded because they were not listed in NALI or because estimated grant project costs exceeded or were well below NALI cost estimates. The point here is that for several years OSM and the States have successfully operated without the mechanistic application of a dated NALI. Given the "make-work" and expense of any NALI update, OSM and the States need not be burdened by a NALI update process for grant review and approval purposes.

The subcommittee is respectfully requested to advise OSM that NALI has not been shown to be an effective tool for the review and approval of grant applications, and that NALI shall not be used for this purpose until OSM fully explains such uses to the states. Also, please advise OSM that until the states are satisfied with such a use of NALI, the approved "State Plans" should be used for review and approval of grant applications.

OSM Use of NALI to Evaluate State Reclamation Efforts and Determining State Staff Requirements

To date, there is no indication that OSM has used NALI for the purpose of evaluating State reclamation efforts and determining State staff requirements. Similarly, there has never been an indication that NALI was to be used in this manner. OSM has not indicated how NALI would be effctively used for these purposes, nor has OSM advised States on such uses of NALI. Perhaps OSM has another mechanistic approach in mind. Perhaps OSM will find Congressional intent that NALI should be used for these new purposes. Perhaps OSM will again "cooperate" with the States to reach a "mutually acceptable" solution to the problem of using NALI for such purposes. Perhaps OSM will again forget about the function of "State Plans" and the role of a federal grantor agency.

The subcommittee is requested to advise OSM that NALI has not been demonstrated to be an effective tool for the purposes of evaluating State reclamation efforts and determining State staff requirements, and that NALI shall not be used for these purposes until OSM fully explains such uses to the States. Also, please advise OSM that until the States are satisfied with such a use of NALI, the approved "State Plans" should be the basis for evaluating state efforts and staff requirements.

OSM's Role as a Grantor Agency

Finally, the subcommittee is requested to send a message to OSM about the role of a federal grantor agency. Such a message should compliment OSM on its past accomplishments and then remind OSM that the AML program is not a "regulatory program".

As a federal grantor agency, OSM is to give the States a "measure of sovereignty". On the other hand, OSM with its experienced lawyers, scientists and engineers should communicate its successes as well as its failures in order that States do not waste time and money repeating OSM's learning curve.

This approach is management by "accessory" rather than management by "tyranny" for accomplishment of Congressional goals, i.e. voluntary and unfettered cooperation to "get the job done". Such a method is not characterized by bureaucratic fear, paralyses and endless forms of pyramiding authority brought on by highly centralized decision making. Rather, such an "accessory method" is characterized by decentralized power and the belief that lower federal bureaucrats are honest and capable people who actually want to make reasonable decisions.

Statement of David H. Getches, Executive Director, Department of Natural Resources, State of Colorado

I want to thank the members of the committee for allowing us to submit comments concerning the Office of Surface Mining's (OSM) FY'85 budget requests. We are concerned about budget levels proposed by OSM, the funding of specific programs, and the rationale presented by OSM for certain budget allocations. Our concerns relate to both Title IV and Title V Programs.

Title IV Issues

There are three Title IV funding issues I want to bring to your attention. First, Colorado is concerned that the proposed budget will not sufficiently fund the reclamation activity that states are prepared to undertake this fiscal year. Second, we are extremely concerned about OSM's continued use of the National Abandoned Lands Inventory (NALI) as the only basis for funding the state programs, and third, we believe that the most effective way to mitigate impacts from mine subsidence would be to develop a subsidence insurance program using the reclamation fund to provide an initial reserve against losses.

We were disappointed to discover that OSM's budget request for state reclamation grants proposes only minor increases over the FY 1984 appropriation. This is in spite of the fact that most states require substantially more funds than were requested last year. In Colorado, we are requesting over $5 million for AML reclamation. We need an additional $2 million to establish a subsidence insurance program. Yet, OSM has proposed to allocate only $3.43 million to Colorado. Based upon discussions with other states, there appears to be a potential need for a $50 million increase over the administration's request of $263 million for state program grants. We think the current funding proposal lacks sufficient funds to continue the momentum of the AML program.

Our second concern is with OSM's use of NALI as the basis for allocating the reclamation fund to states and tribes with approved programs (page OSM-91). NALI does not sufficiently characterize the scope and magnitude of the problem areas in Colorado. It also lacks the necessary details required to make estimates on reclamation costs. According to NALI, the cost of abating priority 1 and 2 problem areas in Colorado would be $120 thousand. However, OSM has granted more than $7 million in construction monies to Colorado for priority 1 and 2 projects. This work is still being conducted. OSM has stated in the FY'85 budget request that, "The need for grant funding will be determined primarily through cost data contained in the inventory," (p. OSM-89). If the inventory is used, the grant funds will fall dramatically short of the real needs in Colorado and elsewhere.

In order to make up for these deficiencies, OSM has proposed to shift the cost of updating and revamping NALI to the states. This is a wasteful and counter-productive proposal. A cooperative approach based on the states' current data would be a more reasonable basis for determining funding needs.

Our third funding concern relates to our need for Congressional authorization to use monies from the reclamation fund to establish mine subsidence insurance programs. In Colorado there are thousands of families living over potentially hazardous abandoned underground mines. Every year there is an increasing number of subsidence events affecting structures. Controlling and abating the damages caused by mine subsidence may be the greatest and most costly component of the program. Enormous amounts of money may be used to attempt to prevent subsidence. However, the cost effectiveness of subsidence prevention through ground stablization techniques is not established. An alternative to throwing money down countless black holes is to develop subsidence insurance programs. We are exploring alternatives for subsidence insurance that will cover both private and public sector improvements and facilities. In order to develop subsidence insurance programs, an initial source of funds is needed to provide a reserve against catastrophic losses in early stages of the program. The reclamation fund could provide such a reserve. With sufficient seed money, Colorado can develop an affordable subsidence insurance program which will reduce dramatically the need for future public funds to be used on direct abatement of subsidence. The establishment of mine subsidence insurance programs could be one of the most cost effective efforts undertaken by the AML Program.

Based upon the preceding comments, I recommend that the committee increase the budget for AML programs by $50 million; that the committee direct OSM to abandon the use of NALI for determining reclamation costs; and that the committee direct OSM to make grants available for establishing mine subsidence insurance programs.

Title V Issues

There are two funding issues we want to bring to your attention concerning the Title V program. The first is that OSM's proposed budget for Colorado falls short of our projected needs, and second, we believe that OSM is excessively funding oversight, directly and indirectly, to the detriment of technical research programs.

Some changes are needed in the proposed FY 1985 budget for Colorado's Title V Program. Since our original projection made in May, 1983, changes have occurred in the state program which necessitate an increase in funding. In order to maintain the current Title V Program level, a total budget of $813,000 is needed. Therefore, we recommend the Federal Cooperative Agreement funding for the Federal Lands Program to be $533,000 (an increase of $40,000, and a return to FY'84 levels), and the federal share of the non-federal program to be $140,000 (an increase of $14,000).

Colorado continues to be concerned that the high level of funding of the oversight program operates to the detriment of other programs that improve on-the-ground performance, particularly technical studies and research. OSM has lost sight of the meaning of primacy. Much of its oversight focuses excessively on systems review and not on the relationship between the systems and on-the-ground performance. The result is that oversight has developed into a paper shuffling exercise and duplicates state functions under SMCRA. Total funding for oversight functions appears to be $19 million. Approximately $12 million is directly allocated to the Oversight Program, and an additional $7 million for oversight is in the budget under Technical Services and Research line item.

The table on page OSM 43 shows the estimated budget for each component of the Technical Services and Research Program. Of that budget, $2 million is estimated for technical advice and assistance on regulatory program operations problems, and $4.9 million is estimated to be spent on Mine Plan Review and NEPA compliance. These two components amount to 65 percent of the Technical Services and Research budget. The budget narrative supporting these two components reveals two points: (1) Technical advice and assistance is a program component used to support oversight, (2) Although the Mine Plan Review and NEPA component supports a federal responsibility, historically, these activities have duplicated the SMCRA responsibilities of the states, as defined in Cooperative Agreements. In contrast, only $1.4 million or 13 percent of this budget is allocated to technical research. These technical research components include; technical studies and applied research ($972,000), experimental practices ($365,000), and outcrop and underground fire control ($105,000). Funding for research is only 7 percent of the $19 million to be spent on oversight and only 2 percent of the total OSM budget of $69.7 million.

We conclude that much of the Technical Research and Services budget is allocated to vague or duplicative purposes. Only a small amount is for components which are uniquely in the domain of the Technical Centers. Because most technical research issues are relevant to a number of states, OSM should give greater attention to these issues. Although the technical studies and applied research component identifies funding for studies which move in the right direction, it is too limited There is little indication that technical research money is being used to examine and analyze data which will serve to evaluate the success of the surface mining program. A significant data base is being developed through implementation of the Act. Examination of the data, particularly hydrology and vegetation, would assist in evaluating the quality of the environment during and after mining and reclamation which is needed for the surface mining program to be properly evaluated in the future.

Aggressive support of oversight functions results in insufficient funds to advance and evaluate the surface mining and reclamation program through technical and scientific study. I recommend that the Committee examine the oversight budget very closely, and that the excessive funding found in oversight components be reallocated to technical research.

Letter From Nicolas Papadakis, Acting Executive Director, Association of Monterey Bay Area Governments

March 15, 1984

Senator James McClure, Chairman
Subcommittee on Interior Appropriations
Room SD 114 Dirksen Bldg.
Washington, D.C. 20510

Dear Senator McClure:

At their meeting of March 14, 1984, the AMBAG (Association of Monterey Bay Area Governments) Board of Directors unanimously adopted the attached resolution regarding the Fiscal Year 1985 Interior Appropriations bill now being considered by your subcommittee. Please accept this resolution in support of the inclusion of an OCS activity prohibition in the hearing record for this matter.

Sincerely,

Nicolas Papadakis
Acting Executive Director

Resolution No. 1984-6

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS IN SUPPORT OF INCLUSION OF AN OCS ACTIVITY PROHIBITION FOR NORTHERN AND CENTRAL CALIFORNIA IN THE INTERIOR APPROPRIATIONS BILL FOR FISCAL YEAR 1985

WHEREAS, this Association has repeatedly requested that development of tracts offshore Central California for oil and gas be deferred until key baseline data becomes available and anticipated conflicts with the environment and economy of the Monterey Bay region are satisfactorily resolved; and

WHEREAS, Central and Northern California north of Morro Bay have been protected for the past three years by provisions attached to the Interior Appropriations Bill precluding funding for the conduct of certain OCS leasing activities; and

WHEREAS, a similar provision in the Fiscal Year 1985 Interior Appropriations Bill is of increasingly critical importance as Lease Sale #91, scheduled for 1985, would open all tracts for leasing from Pt. Conception to the Oregon border; and

WHEREAS, continuation of OCS prohibitions during Fiscal Year 1985 for Central and Northern California is in the best interests of the residents of the Monterey Bay region:

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Association of Monterey Bay Area Governments does hereby adopt this resolution in support of the inclusion of provisions affecting OCS leasing for California areas in the Interior Appropriations Bill for Fiscal Year 1985; and

BE IT FURTHER RESOLVED, that this resolution be forwarded to the House and Senate Chairmen of the Subcommittees on Interior Appropriations and other appropriate parties.

PASSED AND ADOPTED this 14th day of March, 1984.

Nicolas Papadakis
Acting Secretary

Bud Houser
Bud Houser
President

LETTER FROM WANDA E. ANDERSEN, CITY CLERK, CITY OF NEWPORT BEACH, CALIF.

March 13, 1984

Senator James McClure, Chairman
Subcommittee on Interior Appropriations
Room SD114, Dirkson Building
Washington, D.C. 20510

Dear Senator McClure:

Enclosed is a certified copy of our Resolution No. 84-20 in support of the Department of Interior Appropriations Bill prohibiting offshore oil drilling activities in the fiscal year 1985.

Sincerely,

Wanda E. Andersen
Wanda E. Andersen
CITY CLERK

RESOLUTION NO. 84-20

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWPORT BEACH IN SUPPORT OF DEPARTMENT OF INTERIOR APPROPRIATIONS BILL PROHIBITING OFFSHORE OIL DRILLING ACTIVITIES

WHEREAS, the United States House of Representatives and the United States Senate Subcommittees on Department of Interior Appropriations, adopted certain provisions attached to the Department of Interior Appropriation Bill for fiscal year 1984 which precluded funding for the conduct of certain outer continental shelf leasing activities in specific portions of the northern, central and southern California outer continental shelf planning area; and

WHEREAS, the same Subcommittees are currently considering inclusion of the same, or similar provisions for fiscal year 1985; and

WHEREAS, although the City of Newport Beach supports efforts to develop oil and gas resources, both onshore and offshore, it does not support such development unless and until all significant potential adverse affects have been identified, analyzed and satisfactorily mitigated or otherwise resolved; and

WHEREAS, the City of Newport Beach has determined that current Outer Continental Shelf Lease offerings which may affect the coastline off the City of Newport Beach have not adequately identified and analyzed potential significant adverse effects, nor have such affects been satisfactorily mitigated or otherwise resolved; and

WHEREAS, although the City of Newport Beach is located in southern California, it wishes to communicate its support for inclusion of language that will impose, by funding restrictions, a prohibition against certain lease offering activities in the same areas previously affected in northern, central and southern California.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Newport Beach does hereby adopt this resolution supporting the inclusion of provisions that would prohibit all new offshore development activities off the entire coastline of California, for fiscal year 1985; and

BE IT FURTHER RESOLVED that this resolution be forwarded to appropriate members of the United States Congress involved in the decision-making process concerning this issue, following its adoption.

ADOPTED this 12th day of March, 1984.

Evelyn R Hart
Mayor

Attest:

Wanda E Andersen
City Clerk

CERTIFIED AS A TRUE AND CORRECT COPY
Wanda E Andersen
CITY CLERK OF THE CITY OF NEWPORT BEACH
DATE: March 14, 1984

Resolution From County of San Mateo, Calif.

RESOLUTION NO. 45475

COUNTY OF SAN MATEO

* * * * * * * * * *

RESOLUTION IN SUPPORT OF THE CENTRAL AND NORTHERN CALIFORNIA AND SOUTHERN CALIFORNIA OCS PROVISIONS FOR INCLUSION IN THE FY 1985 INTERIOR APPROPRIATIONS BILL

* * * * * * * * * *

WHEREAS, the United States House of Representatives is considering provisions attached to the Interior Appropriations Bill for Fiscal Year 1985, which would preclude funding for the conduct of certain OCS leasing activities in specific portions of the Central and Northern California OCS Planning Area as well as specific portions of the Southern California OCS Planning Area; and

WHEREAS, the United States Senate will be engaging in deliberations over the final version of the FY 1985 Interior Appropriations Bill; and

WHEREAS, San Mateo County wishes to communicate its support directly to the United States Congress for language in the FY 1985 Interior Appropriations Bill which would protect both California OCS Planning Areas.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors, County of San Mateo, does hereby adopt this resolution in support of the Central and Northern California and Southern California OCS provisions in the FY 1985 Interior Appropriations Bill affecting OCS leasing for California area; and

BE IT FURTHER RESOLVED, that this resolution should be forwarded to all members of the United States Congress who are involved in decisions affecting the Interior Appropriations Bill for FY 1985.

Regularly passed and adopted this 13th day of March, 19 84.

AYES and in favor of said resolution:

Supervisors: K. JACQUELINE SPEIER

ANNA G. ESHOO

ARLEN GREGORIO

WILLIAM J. SCHUMACHER

NOES and against said resolution:

Supervisors: NONE

Absent Supervisors: JOHN M. WARD

WILLIAM J. SCHUMACHER
Chairman, Board of Supervisors
County of San Mateo
State of California

ATTEST:

MINERVA L. TAKIS
Clerk of said Board of Supervisors
(SEAL)

Statement of the American Petroleum Institute

The American Petroleum Institute (API) is a nationwide trade association with a membership of some 237 companies and approximately 6,000 individuals, many of which are engaged in offshore oil and gas leasing activities.

The purpose of this statement is to urge the Subcommittee on Interior and Related Agencies and the Congress, to take a fresh look at the Outer Continental Shelf leasing program with a view toward halting the "snowballing" of legislated leasing moratoria.

Riders to the Interior Department's Fiscal 1982 appropriations measure placed about 700,000 acres off limits to oil and gas leasing; for Fiscal 1983 the area closed to leasing totalled 36 million acres and for the current fiscal year the total has grown to 53 million acres.

In effect, the current restriction on OCS leasing has removed approximately 40 percent of the most prospective acreage which the Minerals Management Service had under consideration for leasing in the offshore areas affected by the moratoria off the coasts of Massachusetts, western Florida, and California. We point to this statistic because it is important to understand the dramatic impact these blanket leasing prohibitions have had in the actual areas coming up for lease. For example, proponents of moratoria argued that only four percent of the total OCS would be affected. But, in frontier areas targeted for moratoria, almost half of the area was withdrawn. It has been estimated by the MMS that the affected areas may contain as much as 1.35 billion barrels of oil equivalent and that the net economic value lost due to a one-year delay in leasing would be about $1.63 billion in 1982 dollars.

Obviously, thus, even these one-year delays, which are now three years old in some areas, bring serious adverse consequences for the national welfare. Moreover, we can demonstrate that such delays were neither justifiable nor necessary in Fiscal 1984 and that, given Secretary Clark's new policy initiatives for the OCS program, they are even less justifiable or necessary for Fiscal 1985.

We urge the subcommittee not to perpetuate any of the moratoria which are now in effect and to refrain from imposing similar restrictions on lease sales programmed for Fiscal 1985. There are compelling reasons why the Congress should allow the OCS leasing process to go forward in the orderly manner prescribed by the Congress in the 1978 amendments to the Outer Continental Shelf Lands Act.

Briefly, these reasons are:

- Secretary Clark's determination to "fine tune" the leasing program is designed to significantly reduce the conflicts and controversies of the recent past by addressing the concerns of the coastal states earlier in the leasing process. His recent accommodation of most of Governor Sheffield's concerns with Alaska OCS sales confirms the strength of the Secretary's commitment.

- The nation's current deficiency of energy does not permit us the luxury of fencing off large amounts of offshore petroleum resources without a full understanding of the consequences.

- The excellent record of offshore petroleum development activities conclusively proves that moratoria are as unnecessary from an environmental standpoint as they are unwise from a national policy standpoint.

- Moratoria serve to defeat one of the central purposes of the 1978 OCSLA amendments--i.e., a provision that all regions should share equally in the "developmental benefits and environmental risks" of the leasing program.

All of the above points, we believe, deserve the subcommittee's careful consideration in detail.

Changes in the OCS Leasing Process

Secretary Clark has initiated a number of steps designed to make the leasing program more responsive to concerns expressed by some members of the Congress and by the officials of several coastal states. Given a chance to work as the Secretary wants them to, these new procedures will have a salutary effect.

In this effort, Secretary Clark has the full support of President Reagan who has stated publicly that offshore leasing will henceforward be conducted with "fuller state and public participation."

Secretary Clark has promised to bring the coastal states into the decision-making process early and to insure that consultation with them is continuous. We believe that the President and the Secretary should be given a full opportunity to demonstrate that they can balance legitimate state concerns with national interest considerations--but they will be deprived of that opporunity if the Congress elects to impose arbitrary restrictions on lease sales as it has done for the past several years.

Another key element of Secretary Clark's effort is his decision to require an earlier and more precise delineation of the area to be included in each lease sale.

To accomplish this he has called on industry to "tell us more precisely, at the beginning of the leasing process, where they wish to lease."

"If a given tract does not meet the essential tests of potential energy value, versus other multiple values such as fishing, military concerns or environmental or scenic consideration," he told the OCS Policy Committee, "then that tract can be dropped from further consideration..."

We submit that a determination of whether a specific tract or area meets such a balancing test is a judgmental matter that can best be made during the sale-by-sale decision-making process by the official who is designated by statute as the manager of our OCS resources.

Secretary Clark's March 9 announcement of major modifications to the offshore Alaska leasing schedule demonstrates his resolve to be responsive to state concerns. Eighty-three percent of the North Aleutian Basin and about half the acreage in the Diapir Field sale area have been deleted. The Barrow Arch sale was cancelled, and there have been major area deletions in the planned offerings for other areas.

Energy Supply and Offshore Oil and Gas

A few cold and unpleasant facts emphasize why an orderly and expedited program to find and develop our OCS petroleum remains a national imperative which must not be subjected to unwarranted and unnecessary delays.

First, the United States is importing oil at about the same level as in October 1973, the year of the first oil embargo. The current economic recovery and lower prices for energy have brought about a recent increase in both oil consumption and the level of oil imports.

Second, the situation in the Middle East is presently at least as volatile as it was in 1973; the U.S. is still highly vulnerable to supply interruptions.

Third, the need to find additional domestic sources of petroleum will continue to be acute. Three fourths of all the oil we will use in the year 2000--which is only 16 years away--has not yet been discovered. Just to keep our reserves at their present level, we must discover 8.7 million barrels of oil every single day.

In a period of climbing imports, increasing demand and essentially flat domestic production it makes no sense to legislate moratoria on oil and gas exploration on the Outer Continental Shelf--yet that is exactly what has been done increasingly in the past three years and what apparently will be proposed again.

Those who happen to think that a moratorium for a single fiscal year is not serious should bear in mind that "temporary" moratoria--like "temporary" taxes--have a way of becoming permanent or at least long-lived. Evidence of this is the fact that a "one-year" moratorium on leasing in the central and northern California OCS planning area has already been in effect for more than three years.

The immediate effect of the current moratoria was a drastic reduction in the amount of acreage which the Department of the Interior had planned to put up for bids in three lease offerings during Fiscal 1984 and for which both the DOI and the petroleum industry had done extensive planning and other preliminary work.

It means, for example, that a great deal of highly prospective acreage in the Southern California OCS cannot be offered in Sale 80--when and if that sale is held. In fact, it raises serious doubts as to whether a meaningful sale can now be held in this area, which is adjacent to other fields with substantial proven reserves.

It also reduced substantially the acreage offered in Sale 79 off the western coast of Florida and in the area proposed for Sale 82, North Atlantic, which has now been postponed.

Any provision in the Fiscal 1985 appropriations bill which continues these restrictions would only serve to perpetuate these unnecessary and unwise constraints on the clearly necessary search for more domestic petroleum supplies.

The Minerals Management Service currently estimates that the U.S. OCS may contain as much as 44 billion barrels of oil and 231 trillion cubic feet of natural gas. By comparison, our current proven reserves are 27.8 billion barrels of oil and 201 trillion cubic feet of natural gas. We cannot afford to ignore even part of these resources by subjecting their development to leasing moratoria and other delays.

Sound economic and security planning require that we have a realistic understanding of what petroleum resources we can rely upon for the future. That understanding cannot be achieved with only a piecemeal or fragmentary examination of the OCS.

The sum total of benefits which have accrued, to the U.S. people and their government--and which can continue to accrue--far exceed the so-called "risks." Oil and gas produced from the OCS to date--in excess of 6.36 billion barrels of crude oil and more than 62 trillion cubic feet of natural gas--have been a vital contribution to both our economic and security well-being.

Through the end of calendar 1983, the Federal treasury had received revenues totalling in excess of $68 billion in bonus, royalty and rental income--and this revenue flow does not include taxes paid by the oil companies and their suppliers or by the many thousands who work in the offshore petroleum industry and its associated supply industries.

Stated another way, the Federal government has received 56 percent as its share of the revenue generated from the competitive leasing and private development of oil and gas resources on the Outer Continental Shelf. The industry's share does not represent clear profit. From this income the oil companies pay all the exploration and development costs. In addition, more than one half of the oil industry's pre-tax net income goes to Federal taxes.

The continuation of these benefits is jeopardized when the Congress undertakes to restrict and delay leasing in some areas.

Role of the States in the OCS Process

Even before Secretary Clark moved to give the coastal states a larger voice in OCS leasing decisions they enjoyed clear authority under Section 18 and 19 of the OCS Lands Act to exert significant influence on the five-year lease schedule and individual sales. Under the Coastal Zone Management Act, coastal states exercise strong control over exploration and production activities after a lease sale has been held and leases issued.

Sections 18 and 19 of OCSLA provide a carefully constructed mechanism which insures that affected states can play an effective role in the leasing process. At the end of that process the Secretary must accept a state's recommendations as to the size, timing and location of a lease sale when he finds that those recommendations "provide for a reasonable balance between the national interest and the well-being of the citizens of the affected state."

That Act also enables coastal states to seek redress in the courts whenever they believe their recommendations as to lease sales, or development and production plans, have been wrongfully rejected. Judicial review affords all parties affected by proposed leasing action the opportunity to seek court remedies on a case-by-case basis as the facts warrant, once the many opportunities for interaction at the agency level have been exhausted.

Judicial review, coupled with the many opportunities for agency interaction, is a far better method for resolving disputes than for the Congress to simply order that an area be "shut down" before a lease sale is held.

Blanket prohibitions--moratoria--do not allow for adjustments to national energy needs and environmental protection goals as our knowledge of OCS resources improves and as world-wide energy supply situations change.

In addition to these safeguards under the OCS Lands Act, the CZM Act's "consistency" provisions enable most coastal states to restrict, control or even prohibit exploration and production activities on OCS leases which directly affect the coastal zone. All states also have full power to police the onshore impacts of offshore development by virtue of the permitting process for the installation of pipelines, terminals, processing plants, refineries and other facilities.

In short, the present system works well--it serves to protect the legitimate interests of the states without unduly impairing the national interest.

The Offshore Environmental Record is Excellent

One misperception voiced by advocates of moratoria has been that leasing "will bring significant and lasting damage to the marine and coastal environments."

The record shows that this is simply not true:

To date, the Interior Department has conducted 76 OCS oil and gas lease sales. In the areas affected by these sales, there is no evidence of degradation of the tourism or fishing industries or of significant and lasting damage to recreational amenities or to the coastal zone. There has been no significant, permanent damage to the marine, coastal or human environment.

This outstanding environmental record was accomplished while the petroleum industry was drilling more than 21,000 wells and producing in excess of 6.36 billion barrels of crude oil and more than 62 trillion cubic feet of natural gas, as of the end of 1983.

Commercial fishing has thrived without interruption in such offshore oil producing areas as the Gulf of Mexico, Southern California, the Cook Inlet, the Bass Straits of Australia, offshore Indonesia, the Black Sea, the Java Sea and the coasts of Venezuela. This is also true in the North Sea, which produces more than five times as much oil as the entire U.S. Outer Continental Shelf from a much smaller area that suffers more adverse weather conditions than most of the U.S. OCS.

After an exhaustive study of the North Sea ecological systems, the Royal Society (of London) concluded that offshore operations have had no significant effect on the North Sea ecological systems.

The record shows that offshore operations are one of the lowest contributors to oil pollution of all commercial uses of the oceans. The average annual U.S. spill rate for all phases of OCS operations under current technologies and regulations is but 5,532 barrels from an average production of 280 million barrels per year, or .002 percent of the oil produced. Natural oil seeps contribute about 15 percent of the oil in the world's marine environment.

The OCS leasing program permits no deviations from the requirements of such environmental safeguards as the National Environmental Policy Act, the Endangered Species Act, the Marine Mammals Protection Act and other statutes.

'Equitable Sharing' is Not Being Accomplished

Since the Congress began to legislate large areas of the OCS off of the leasing schedule, the OCS Lands Act's call for an "equitable sharing" of the leasing program's "developmental benefits" and "environmental risks" has not been fulfilled. The imposition of leasing moratoria also is counterproductive to the first stated purpose of the 1978 OCS Lands Act amendments--i.e., "expedited exploration and development of the OCS."

Three of the four areas currently affected by leasing moratoria to date have fallen far behind when it comes to "equitable sharing". A few numbers prove this point:

Planning Area	% of Planning Area Offered	% of Total OCS Acreage Offered
E. Gulf of Mexico	87.24	35.47
C. & W. Gulf of Mexico	36.11	20.50
Mid Atlantic	30.80	17.71
So. Atlantic	23.58	16.37
So. California	6.85	1.05
C. & N. California	4.09	1.06
No. Atlantic	1.15	0.46
Alaska	1.81	7.09

These statistics relate to sales conducted since the 1978 OCSLA amendments. They illustrate clearly that the Southern California, Central and Northern California and the North Atlantic planning areas (i.e., the moratorium areas) have not carried a proportionate share of the acreage offered under the OCS leasing program during the last six years.

"Equitable sharing" is sound public policy. Who can quarrel with the premise that each region of our land has an obligation to contribute what it can towards providing the energy that all of us need and use? Yet, the leasing legislation of recent years has excused some areas from that responsibility by providing that some coastal regions may continue to enjoy the benefits provided by domestically produced energy without facing even the minimal risks off offshore oil and gas development.

We hope the subcommittee will agree that this sort of preferential treatment is unfair and that "equitable sharing" should be practice and not a mere theory.

To summarize, the petroleum industry believes that continued embargoes on OCS oil and gas leasing are neither necessary nor justifiable. The national welfare requires that we get on with the job of locating and developing offshore domestic petroleum supplies. The record of OCS exploration and production proves that legislation of the kind enacted in recent years is not needed because the legitimate concerns of those coastal areas which are favored by such legislation have been and will be addressed by the administrative process.

This process has worked well in other areas where OCS exploration and production has flourished and it should be allowed to work in all areas.

STATEMENT OF JAMES R. MADALENA, CHAIRMAN, FIVE SANDOVAL INDIAN PUEBLOS, INC.

Mr. Chairman, we appreciate the opportunity to be here today. With me is Lt. Governor Lawrence Montoya from Santa Ana Pueblo, Lt. Governor Edward Paisano from Sandia Pueblo, and Amadeo Shije Assistant Administrator from Zia Pueblo. We are also pleased to have Governor Esquipula Chaves of Sandia Pueblo with us. My name is Roger Madalena. I am chairman of the Governing Board for the Five Sandoval Indian Pueblos consortium of smaller tribes located along the Rio Grande river in central New Mexico. I am also administrator for my tribe, Jemez Pueblo. Our Pueblos are characteristic of the tribes the BIA describes in the FY 1985 Appropriations Justification as, ". . . smaller, less established tribes and rancherias, for which Self-Determination grants have provided the nucleus or essential seed money to enable them to become established as governments and to acquire the capability to participate in housing, economic and community development, employee, and similar programs through contracts and grants with various Federal agencies . . ." Excepting my tribe, Jemez Pueblo, all members fit the BIA criteria for participation in the Small Tribes Management Initiative, designed for those tribes with populations of 1,500 or less. (Jemez's population is 2,300, and Sandia, with 250 members, is our smallest. Santa Ana is next smallest with 560 members, Zia has approximately 650 members, and Cochiti has 600 members.)

Our dependency on PL93-638 grants to bear the burden for local government responsibilities as described above, are directly linked to our comparatively low volume of PL93-638 contracts - not grants - which tend to increase along with development of these internal tribal administrative capacities. Of our five tribes, for example, only Zia Pueblo has an indirect cost rate, and we understand the effectiveness of that mechanism for absorbing administrative staffing requirements for Zia is threatened by the administration's decision to modify the handling of indirect costs in the FY 1985 Budget Request.

Therefore, we are here to request restoration of the PL93-638 Self-Determination grant line item to the level of the administration's FY 1984 request, which was $19,375,000. $19.4 million is $3.0 million greater than the actual appropriation for fiscal year 1984. This $3.0 million reduction originated in the Senate mark-up on the fiscal year 1984 Interior Appropriations bill, and stayed at this reduced level in Conference and Committee action subsequent signing into law as PL98-146 on November 5, 1983. The FY 1985 Budget Justification, at BIA-96, also includes this reduction, by requesting $16.8 million for PL93-638 grants.

In recommending restoration of PL93-638 grants to $19,375,000, we further urge this Subcommittee to provide bill language instructing the BIA to award fiscal year 1985 grants, at the Southern Pueblos Agency in Albuquerque, New Mexico, at the level of enacted appropriations nationwide, and in accordance with the overall number one rank which our member tribes have given PL93-638 grants in the tribal priority system since these grants became part of the so-called "Band Analysis" in 1978. (Reference Attachment A: Tribal Priority Rankings at Southern Pueblos Agency for FY 1981 and FY 1982.) We believe such binding language is necessary given the frustration we continue to experience at BIA Albuquerque Area Office where a twenty-six percent reduction, from our actual FY 1983 grant levels, is being imposed on our tribes. The BIA tells us that Congressional action reducing the administration's FY 1984 request by this $3.0 million figure is responsible for this proposed twenty-six percent reduction. In Attachment B to this testimony are various correspondences exchanged between our organization, Congressman Bill Richardson, the Bureau of Indian Affairs, and the Senate Interior Appropriations Subcommittee Chairman. None of them state that a budget cut of twenty-six percent is forthcoming. Rather, the figure is one per-cent or, at most, three-and-two-tenths as stated in the letter to Congressman Richardson in November 1983. In that correspondence, the Deputy Assistant Secretary for Indian Affairs states that, ". . . this letter confirms that the actual reduction in the funding of the 1984 Self-Determination Grant funds is approximately 3.2% less than the FY 1983 appropriation of grant funds. . . " Attachment C is correspondence received February 15 from Albuquerque Southern Pueblos Agency confirming their intention to reduce our PL93-638 grants by a full 26%, based primarily on BIA's intention to transfer these program funds to offset ADP charges. We understand this proposal is contrary to this Subcommittees instructions to the BIA in Report No. 98-253 accompanying HR 3363 for Fiscal Year 1984.

Our small tribes use these PL93-638 grant funds for the hiring of internal administrative, financial, and other personnel necessary to establish and maintain tribal capacity to function as effective local units of government. These personnel, in reporting to their governors, then provide day-to-day continuity for tribal involvement with other local, state, and federal governments and for the increasing contact with private individuals and companies seeking business opportunities on reservation lands. As this capacity develops, our tribes will naturally seek opportunities to increase the number of PL93-638 contracts.

So, our problems in establishing local governmental capacities are dramatically affected by changes in both the Grants portion and Contract Support line-item of the Self-Determination Services appropriation activity. Because of our smaller populations (and comparitive lack of internal, professional staffing due to not presently having negotiated indirect cost rates nor any degree of PL93-639 contracts), we are not able to protect administrative and management-related positions through contract support funds when our PL93-638 grants are reduced. In other words, we do not benefit from any increase in contract support funds at the expense of self-determination grant funding. Therefore, while supporting the request at BIA-107 of the FY 1985 Justification to increase by $1.5 million the contract support fund line-item, ". . . to cover new FY 1984 and 1985 contracts . . .", and with, ". . . This need projected on the basis of the section 106 reate of 15.5 per-cent for approximately $4 million in new contracts in FY 1984 and an additional $5 million in FY 1985 . . .", we urge this Subcommittee to inquire of BIA officials regarding our understanding of a 01 April, 1984 deadline for the finalization of proposals from tribes in order to be eligible for newly negotiated indirect cost for fiscal year 1985. None of our member tribes, for example, can successfully meet this deadline, and it will be fiscal year 1986 before any such "new starts" line-item increase can be helpful to our making such a transition from PL93-638 grants to contracts. If there are other smaller tribes nationwide facing similar circumstances, perhaps the BIA could be instructed to look forward into fiscal year 1986, rather that backwards into this fiscal year already well underway for the provision of such transition assistance. Additionally, in the case of Zia Pueblo's already established lump-sum negotiated rate, they are told by the BIA that a switch to a fixed carry forward basis must be completed during this fiscal year, 1984. I understand this will create a hardship on Zia insofar as the number of administrative support personnel able to be employed from one fiscal year to the next, due to their comparatively lower indirect cost rate in conjunction with a modest level of contracting. So, again, there is the situation where our smaller tribes are being doubly squeezed by proposed, drastic reductions in PL93-638 grants and by difficulties in readily fitting into the BIA's indirect cost transition proposal.

Participation in the recently initiated "Small Tribes Management Program" enables our consortium to meet audit requirements and the tribal capacity building intent of PL93-638 grants. This provides a trained accountant who, as a circuit rider, provides technical assistance in meeting the specific requirements of GAO Circular A-102 and in implementing the single audit concept as recently mandated for all tribes nationwide. But for this previously unavailable resource, smaller tribes such as ours would have staff striving to accomplish the reporting requirements for federal contracts and grants, without benefit of adequate technical assistance and training. We therefore support the Administration request for a $1.5 million increase to $5 million for the Small Tribes Management Initiative as stated at BIA-112 of the FY 1985 Appropriation Justification.

Our Tribal Councils are very grateful to Congressman Richardson for communicating our concerns to the Bureau of Indian Affairs regarding the importance that the PL93-638 grants play in the development of our governmental capacity. His efforts in trying to get the BIA to acknowledge that the $3.0 million reduction in the FY 1984 grant program does not call for a twenty-six per-cent reduction in our project awards from actual FY 1983 grant levels is a source of great encouragement to our Tribal Councils. Any assistance that this Subcommittee can provide towards restoring the appropriation level so that our Fiscal Year 1984 grants will not be reduced would be gratifying.

Thank you for the time you have given us today to make our recommendations. I would be pleased to respond to any questions the Subcommittee might have regarding this testimony.

ATTACHMENT A

Reservation Programs

FORECAST OF CHANGE

ZBB - 1981

1/ Priority Ranking		Change over 1980 Base	
Elements		Dollars	Percent
1	Self-determination Grants	82.4	9.0
2	Law Enforcement	17.9	1.8
3	Tribal Courts	18.4	8.4
4	Scholarships	.6	-
5	Agriculture	(37.1)	(4.5)
6	Social Services	.2	-
7	Real Property Management	5.4	5.3
8	Road Maintenance	(29.6)	(7.9)
9	Housing	(9.5)	(2.5)
10	Aid to Tribal Governments	5.0	2.3
11	Program Development & Budget	(3.1)	(10.0)
12	Business Enterprise Development	25.5	120.8
13	Administrative Service	1.6	1.5
14	Adult Education	(13.2)	(11.9)
15	Credit	10.0	13.3
16	Executive Direction	-0-	-0-
17	Employment Assistance	(80.0)	(15.2)
18	Forestry	17.0	21.9
19	Indian Action Teams	(15.7)	(4.9)
20	Safety	-0-	-0-
?	Water Resources	4.2	
Units			
1	Indian Services	114.3	3.9
2	Education	(12.6)	(1.1)
3	Economic Development	(89.7)	(6.7)
4	Trust Responsibility	5.4	5.5
5	Natural Resources	(15.9)	(1.6)
6	Management	(1.5)	(-)

1/ Less Laguna, San Felipe and Santo Domingo input in priority ranking only.

NET CHANGE OBJECTIVES

By order of priority, the following composite statements seem relevant: (Note: By identifying the Tribes, recommending changes, no intention is suggested to "punish" them for reductions in dollars - a greater effort should be made to inform them of relevant services. However, where increases are suggested, effort should be made to respond appropriately.)

1. Self-determination Grants - (increase $82.4, by 9.0 percent to a new total 994.1). About every tribe ranked this number one; although two gave it No. 2 and one said 4th. Of those actively changing the dollars, Jemez and Cochiti account for the increase, others suggested less partly due to the population-based funding formula used in their contracts.

2. Law Enforcement - (increase $17.9, by 1.8 percent to new total $1008.8). All tribes making detailed dollar change, Cochiti and Jemez in particular, gave this element strong support. Both may want to contract this program.

3. Tribal Courts - (increase $18.4 by 8.4 percent to a new total $235.0). Jemez and Sandia felt strongly about this program. Although they were, in previous administrations, slow in picking up on the opportunity in contract.

4. Scholarships - (increase $0.6 with no percent change to a new total $994.5). Only Santa Ana recommended an increase in funding, there being an influx of young people into management of tribal affairs.

5. Agriculture - (decrease of $37.1, offset by increase of $4.2 for Water Resource Study, for a net change of 4.4 percent to a new total $788.8). While of high general priority, and indeed with a recommended increase by Sandia and Santa Ana, the shifts of money into other priorities by Jemez and Cochiti reflect some local feelings relative to their irrigation problems, not directly associated with this effort.

6. Social Services - (a slight increase of 0.2 to a new total $348.7). An interesting trade-off of emphasis between Sandia (where employment is relatively high) and Jemez (where employment is low) generally offset each other.

7. Real Estate Services (RPM) - (obtained an increase of $5.4 or a 5.5% improvement over 1980 to a new total 104.6). Both Sandia and Cochiti gave strong emphasis to this land-base leasing program, where much of their income is derived.

8. Roads Maintenance - (decrease $29.6 or 7.9 percent to a new total $341.7). Interestingly, Jemez accounted for the entire shift, presumably to accelerate the Forestry program thrust which still requires much road grading in these areas.

9. Housing - (decrease of $9.5 or 2.5 percent to a new total $366.7). Contradictory priorities of Sandia (where housing program is about finished) and Jemez (where more needs to be done) were not enough to exactly balance the shift of money in this program to other needs.

10. Aid To Tribal Governments - (increased by $5.4 or 2.3 percent to a new total $221.2). This mid-point priority item suffers from the ambivalence of two different programs being listed together, probably not helping either one.

FY 1982
PRIORITY RANKING
BY
DECISION PACKAGES

	ALL FUNDING LEVELS			
Package	80%	100%	115%	150%
A. Education	2	2	2	2
B. Indian Services	1	1	1	1
C. Economic Dvlp. & Empl.	5	5	5	5
D. Natural Res. Develop.	4	4	4	4
E. Trust Responsibilities	3	3	3	3
F. Management & Admin.	6	6	6	6

PRIORITY RANKING IN SEQUENCE

1. Indian Services
2. Education
3. Trust Responsibilities
4. Natural Resources Development
5. Economic Development & Employment
6. Management & Administration

NOTE: All rankings exclude the Pueblos of Acoma and Santo Domingo.

(Dollars in thousands and tenths)
(Full- Time Permanent Positions)

Consolidated Tribal Ranking

OCATION NAME Southern Pueblos Agency CODE M20/-01

DECISION PACKAGES		**Excluding Acoma and Santo Domingo Pueblos.	FUNDING & STAFFING LEVE			
PRIORITY RANKING **	PACKAGE CODE	DECISION PACKAGE TITLES	THIS PACKAGE		CUMULATIVE	
			$K	FTE	$K	FTE
1	27	Self-Determination Services	848.6	0	848.6	0
2	23	Tribal Courts	168.9	1	1,017.5	1
3	24	Social Services	372.3	3	1,389.8	[illegible]
4	26	Housing	323.2	5	1,713.0	9
5	25	Law Enforcement	798.9	25	2,511.9	[illegible]
6	11	Scholarships	599.3	0	3,111.2	[illegible]
7	22	Aid To Tribal Government	230.1	6	3,341.3	[illegible]
8	54	Other Real Estate Services	110.3	7	3,451.6	[illegible]
9	35	Roads Maintenance	323.7	11	3,775.3	[illegible]
10	41	Agriculture	742.9	23	4,518.2	[illegible]
11	63	Administrative Services	112.5	12	4,630.7	[illegible]
12	62	Executive Direction	51.6	2	4,682.3	[illegible]
13	31	Business Enterprise Development	37.3	1	4,719.6	[illegible]
14	33 & 34	Other Employment Assistance	401.8	10	5,121.4	[illegible]
15	32	Credit and Financing	80.9	3	5,202.3	[illegible]
16	61	Program Development and Budget	27.9	1	5,230.2	[illegible]
17	42	Forestry	108.5	0	5,338.7	[illegible]
18	60	Safety Management	17.9	1	5,356.6	[illegible]
19	12	Adult Education	67.6	1	5,424.2	[illegible]
20	44	Water Resources	3.4	0	5,427.6	[illegible]

ATTACHMENT B

NOV 14 1983

Honorable Bill Richardson
House of Representatives
Washington, D.C. 20515

Dear Mr. Richardson:

Per the telephonic request of Mr. Steve Vest of your staff, this letter confirms that the actual reduction in the funding of the 1984 Self-Determination Grant funds is approximately three point two percent (3.2%) less than the FY 1983 appropriation of grant funds. The twenty-five percent (25%) reduction discussed in our November 2, 1983 letter from the Director, Office of Indian Services, refers to the tentative FY 1984 Tribal Allocation of Self-Determination Grant fund figures that tribes were using in their tribal priority-setting preparations of estimated need for FY 1985. As these figures did not reflect the actual reductions in funding in FY 1983 and FY 1984, instructions regarding a twenty-five percent (25%) reduction in these funding calculations were necessary.

Since 1981, the Bureau of Indian Affairs (BIA) has received the following for Self-Determination Grant funds:

1981	$ 17,889,000
1982	$ 17,084,000
1983	$ 16,922,000
1984	$ 16,375,000

The overall reduction realized in Self-Determination Grant funding from FY 1981 to FY 1984 is eight point four percent (8.4%). The largest funding reduction of four point five percent (4.5%) occurred between the funding of Fiscal Years of 1981 and FY 1982.

We are sorry for any confusion regarding the percentage of the actual reduction of the appropriated Self-Determination Grant funds that the tribes will be experiencing in FY 1984.

Thank you for your interest and if further information is needed, please contact us.

Sincerely,

Deputy Assistant Secretary -
Indian Affairs (Operations)

December 15, 1983

Kenneth L. Smith, Assistant Secretary
for Indian Affairs
U.S. Department of the Interior
C. Street between 18th and 19th Streets, N.W.
Washington, D.C. 20240

Dear Mr. Smith:

On October 27, the Southern Pueblos Governors Council wrote your deputy, John Fritz, concerning a BIA proposed fiscal year 1984 reduction in P.L. 93-638 grant awards. That letter, a copy of which is attached, asked for an explanation of this proposed 25% reduction. The Albuquerque Agency Superintendent has not been able to provide the rationale for reducing pending fiscal year 1984 awards by 25% beyond his acknowledging that Congress reduced P.L. 93-638 grants by $3.0 million in the fiscal year 1984 Interior Appropriations bill. (H.R. 3363 signed into law November 05 as P.L. 93-146).

Beyond the above, we are informed in recent correspondence from the Senate Interior Appropriations Subcommittee Chairman that "...Congress reduced funding in this area only 1% below the fiscal year 1983 level...". (Reference the attached November 10 correspondence from Senator James McClure). Therefore, we ask that you clarify soon for us this distressing matter vital to the self-determination efforts of our small Pueblos. We ask that your clarification enable us to conduct FY 1984 P.L. 93-638 grant negotiations with the Albuquerque Area Office for amounts equal to the 1% reduction stipulated by the Senate Interior Appropriations Subcommittee Chairman's letter.

Sincerely,

James Roger Madalena

James Roger Madalena, Chairman
Governing Board

November 10, 1983

Merle L. Garcia
Governor
Pueblo of Acoma
P.O. Box 309
Acomita, New Mexico 87034

Dear Governor Garcia:

Thank you for your recent correspondence regarding ~~the~~ twenty-five percent reduction in self-determination grants which has been imposed by the Bureau of Indian Affairs. As you correctly note, the action taken by Congress reduced funding in this area only one percent below the fiscal year 1983 level.

We have contacted the Bureau of Indian Affairs in an effort to determine why such action has been taken and we will make every effort to ensure that the full amount appropriated for self-determination grants is made available to the tribes.

I appreciate your bringing this matter to my attention.

Sincerely,

Jim

JAMES A. MCCLURE
Chairman
Subcommittee on the Department
of the Interior and Related
Agencies

ATTACHMENT C

Mr. Joe L. Loretto, Governor
Pueblo of Jemez
P.O. Box 78
Jemez Pueblo, New Mexico 87024

Dear Governor Loretto:

Here is the tentative figure for your Fiscal Year 1984 P.L. 93-638 grant. Each Tribe received a reduction of 26% from the amount received in Fiscal Year 1983.

During Fiscal Year 1983 a total of $1,029.8 was received for distribution. The figure for the current Fiscal Year is $763.4; a reduction of 266.4. Each tribe has therefore received the same reduction.

The attached gives the figures by tribe and reflects only your particular tribe's figures. Should you wish to share the information with other tribes, it is at your discretion. I regret that the reduction is so drastic.

The attached was prepared by the Albuquerque Area Office using the distribution formula agreed to by all Tribes working with Southern Pueblos Agency.

Sincerely yours,

Samuel R Montoya
Superintendent

EXHIBIT B
ALBUQUERQUE AREA FUNDING
PREPARED 02/09/84
($000)

DESCRIPTION	FY 83 ACTUAL	FY 84 TENTATIVES	DIFF +INCREASE -DECREASE	PERCENT
1. Planning Base	1143.8	1043.4	-100.4	8.7%
2. Reductions:				
Congressional	-114.0	252.0		
BIA 1/	-0-	28.0		
3. Distribution by Pueblo:				
Jemez	120.7	89.3	-31.4	26.0%
3. Actual Funding	$1029.8	$763.4	$-266.4	25.8%

Figure may not add to exact total shown because of rounding of totals.

1/ Represents the total anticipated reduction necessary to offset charges resulting from P. L. 96-499 Omnibas Act and Automated Data Processing changes.

2/ Includes the Indian Action team which was funded under the Self Determination Grant Program in both 1983 and 1984 $150,000 and $112.500 respectively.

STATEMENT OF DR. ROBERT J. SWAN, EXECUTIVE DIRECTOR, FORT BELKNAP TRIBAL EDUCATION DEPARTMENT, HARLEM, MONT.

Good morning Mr. Chairman, and distinguished members of the Senate Select Committee on Indian Affairs. My name is Dr. Robert J. Swan, the Executive Director of the Fort Belknap Tribal Education Department, Fort Belknap Community Council, Harlem, Montana. I am respectfully requesting the Senate Select Committee on Indian Affairs to allow me to submit written and verbal testimony today regarding Public Law 92-318 as amended, the Indian Education act (IEA), Title IV; P.L. 94-487 as amended by P.L. 95-40, the Vocational Education Act, the 1% set aside for Indian Vocation Education; P.L. 95-471, Tribally Controlled Community College Assistance Act of 1978; and, P.L. 89-329, Talent Search.

First, I would like to thank the Senate Select Committee on Indian Affairs for allowing me this opportunity to share with you some of the achievements made possible under these programs and some of our concerns for current and future funding and continuation of these vital programs.

I shall outline the past benefits these programs have provided to the Indian people of Fort Belknap which is a major concern on the Fort Belknap Reservation.

A. Vocational Education Project

P.L. 94-487, as amended by P.L. 95-40, Contract Program for Indian Tribes and Tribal Organizations is more commonly referred to as the 1% set aside program for Indian tribes and tribal organizations. We have been fortunate at Fort Belknap in that we have been able to participate in the 1% set aside program from 1978 through August of 1984. We were not selected for funding for FY-85 because the Bureau of Indian Affairs is not commited to vocational education for Indian adults as reflected by their request every year. For the past five years the U.S. Congress did not match the U.S. Department of Education appropriations as required by under P.L. 95-40.

When appropriations were first made available for the Contract Programs for Indian Tribes and Tribal Organizations, the Congress passed H.R. 3437, P.L. 95-40, requiring the Bureau of Indian Affairs to match the amount made available through the U.S. Department of Education. This match was supposedly based on the needs of tribes and tribal organizations across the nation. But for various reasons, none specifically given, the Bureau of Indian Affairs has been able to get statutory waivers from the requirements through the Appropriations Acts from FY-79 through FY-84.

Funding history under P.L. 94-482, for the 1% set-aside is as follows:

YEAR	AUTHORIZATION	APPROPRIATION	PROJECTS
1978	$ 8,360,000	$ 5,437,682	20
1979	9,789,000	5,437,777	30
1980	11,800,000	5,922,888	32
1981	12,659,114	6,929,755	34
1982	14,179,114	6,186,230	26
1983		5,936,734	22

If the Bureau of Indian Affairs had matched the 1% set-aside program, this would have resulted in an increase of 35 million dollars for Indian tribes and tribal organizations. Instead we experienced a loss of 35 million dollars because of the Bureau of Indian Affairs lack of commitment to Indian Tribes. In comparison to the number of projects funded, and the number of tribes and tribal organizations needing vocational education services, you can clearly see that there are many tribes and tribal organizations whose needs are not being met.

Although Fort Belknap is only one project out of 22 funded during fiscal year 1983, I believe we have made major accomplishments here at Fort Belknap. Our project was first funded in September, 1978, and the following achievements were made to date:

1. Completion of a vocational student needs assessment.
2. Completion of a five year comprehensive vocational education plan.
3. High school drop-out identification and placement of 275 students.
4. Career Counseling and Placement for 789 students (K-12, GED, adults, trainees).

5. Provided training and job placement for 22 secretarial trainees.

6. Vocational Agricultural training for ten trainees with five graduates.

7. Vocational Welding training for 16 trainees with 16 graduates.

8. Vocational Business classes for 10 full-time students, 60 part-time, and 5 graduates with an Associate of Arts in Vocational Business Administration.

9. Micro-computer Technology training with 10 students currently enrolled and 9 will graduate on June 8, 1984.

10. Business Administration with 10 students currently enrolled with four to graduate on June 8, 1984 with Associate of Arts degrees.

11. Workshops in the area of life coping, agricultural, management, clerical & bookkeeping, and vocational with a total of 59 workshops held and a total attendance of 1,018.

12. Completion of a career educational library.

During FY-84 the Vocational Education Project has enrolled 20 Indian trainees in a post-secondary program with the tribally controlled Dull Knife Memorial College located at Fort Belknap. There are (10) enrolled in Office Computing, (a one year certificate program), and (10) enrolled in Business Administration (an Associate of Arts Degree Program). By establishing this college and merging the VEP trainees into our community college, we have been able to expand services to addition community members. We also finance other students through our Higher Education Project, PELL grants, and other federal funding.

Fort Belknap was also chosen as a pilot site for the National Center for Research in Vocational Education, "Extending the Benefits of Vocational Education to Indian Populations". We have served as an exemplary project for other Vocational Education Projects funded under the 1% set-aside programs. I have been to numerous meetings and conferences where Fort Belknap have shown the accomplishments we have made under this outstanding program.

For reauthorization of the Vocational Education Program, I would like to recommend the following:

1. That there be specific set-aside for tribes, perferably a minimum of 2% for Tribes and Tribal Organizations.

2. Vocational Education funding not be block-granted to states, as Indian tribes and organizations will not be considered. This conclusion is based upon past experience with State departments of Education.

Fort Belknap, like many other tribes, has made substantial progress through the funding of the 1% set-aside. We are finally at a point where community members know more about vocational education. In an area of high unemployment, we have helped reduce that high rate through the training programs we offer and through the job placement of students. A tremendous amount of work has been done in building up a successful project, such as ours. We want to look forward to more successful years in vocational education. With your support and help, we will be able to do this.

B. TRIO Program:

The T.R.I.O. programs have been in existance since the late 1960's. The programs were initially introduced by concerned Senators and Congressmen who felt that if they educated the under priviledged youth, the cost of social programs would go down. The T.R.I.O. programs are Special Services, Upward Bound and Talent Search. They are also involved with the office of the National Council of Educational Opportunity Association (NCEOA). This office has been in existance since June, 1981. The NCEOA was originally set up to develop career internship programs in conjunction with Upward Bound programs. It also served as liason with the Congress and with the Administration. The Career Internship project was funded by the Department of Labor for 3 years and is now supported through fund raisers from each of the TRIO projects around the nation.

Currently there are 8 Special Services, 2 Talent Search Projects and 2 Upward Bound projects in Montana. Special services will provide services to 1,375 students, Upward Bound will provide services to 115 students and the Talent Search Projects will provide services to 1,350 students in project year 1983-84. The projects have been providing tutorial services, guidance and counseling, career development, etc., to the students since 1967 when the first special services project was funded at the University of Montana.

The North Central Montana Talent Search Project has been in existence since 1980. During this time, the project has provided services to 1,540 youths between the ages of 14 to 27 years in the North Central Montana Talent Search Project. The project has been steadly growing since the beginning of the project. Our numbers have been raising steadily for the past 3 years.

The need for the project is apparent if you look at the ratio per student for counselor in our tri-county area. There are about 185 students to 1 counselor. The drop-out rate at the beginning of our project was around 27% for all schools and has decreased steadly to about 10% over the three year period. The number of low income families has gone up in each area as the recession has caused loss of jobs and there is still no work to be found. Therefore, the need to have more educational services provided to these low income students still exists.

The Talent Search Project provides counseling and guidance service to all low income students for career, personal and academic areas. We also provide services to Jr. High, High School and post-secondary institutions. We aid students in completing all forms to enter a post-secondary school.

The NCMTSP has played a very active part in getting our low income youth back into secondary schools and/or post-secondary institutions. Most of our clients do not know the first step on how to apply for post-secondary schools. They do not know what types of financial aid are available, how to apply for housing and various other types of paper work. Many of the students do not have a career goal or even know the options they have for a career. This type of service is provided by the Talent Search Project. If the service was taken away, the low income students would lose the benefit of the project and the benefit of getting a college education.

Because the Talent Search Project has become so critical to continued success of the low income student, we are requesting that funding be continued or increased to serve those we our still unable to reach because of lack of manpower and funding.

C. P.L. 95-471, Tribally Controlled Community College Assistance Act of 1978:

The Fort Belknap Community Council began operation of the Dull Knife Memorial College - Fort Belknap Campus in 1982. We have been contracting with the main campus located at Lame Deer, Montana for credits and services. Just recently we completed our 95-471 feasibility study and have been notified that we will become the 21st Indian controlled community college and will be known as the Fort Belknap College as of the 1984-85 school year.

Because we are just beginning as a community college, we are faced with over whelming management, organizational, and expenditure problems. We need to receive full funding under 95-471 or we may not be capable of providing and maintaining a critically needed service in this community. You must realize that on our reservation, like many throughout this country, the tribal government has limited or no financial resources for establishing community colleges.

The BIA is currently funding Indian students at the rate of $2,535. per student. This amount is going to be reduced by another $60.00 to $2,460. per FTE. The $60.00 cut is to help pay for the automated data processing system the Bureau got themselves into. What this means is a cut of $352.00 per FTE had we been funded at the original level of $2,812. According to my calculations, this cut of $352.00 per student for Fort Belknap would mean a cut of approximately $25,000. This amount is based on approximately 70 FTE times $352.00 and represents over one-third of the part-time faculty salaries.

Tribally Controlled Community Colleges can not withstand such a budget deficiency. Here are some of the reasons that we can gave to demonstrate the fiscal costs we face.

1. As you know this past winter, even though it was short, it was severe. Heating bills were astronomical. Not to mention that the cold weather broke many pipelines destroying some facilities in some of the colleges in North and South Dakota, and Montana.

2. Maintenance of the building necessarily were raised because of the broken pipes and the clean up job that followed.

3. Transportation in any of the areas where these Tribally Controlled Colleges are, rises, it does not decrease.

4. In some cases, some of the Tribally Controlled Colleges will actually have to let faculty go because of this budget deficiency.

5. Two colleges are up for accreditation this Spring. Those include Standing Rock and Salish/Kootenai. They would not be able to absorb this budget deficiency. In fact, Salish/Kootenai said that the reserve that they had built up would be wiped out.

6. Community colleges are looking at cutting faculty, granting no pay raises, cutting contracts from 12 to 10 months. This has to impact our ability to attract qualified college staff.

7. Many colleges are operating with skeleton crews and utilizing substandard facilities in order to keep their doors open.

All of the tribally controlled community colleges are concerned about these budget deficiencies because they cannot maintain quality education when they are unable to offer their faculty any kind of salary. We are also faced with inflation, maintenance, rising heating costs, transportation, rising costs of instructional supplies, increasing insurance and other related costs which continue to rise.

We are requesting that this committee recommend an increase in the funding rate per FTE to the $4,000. level as authorized by law.

We are determined to continue providing the opportunity for Indians to receive a viable post-secondary education. It has been denied too long and we are too close to learning the real benefits of this process for our people.

D. P.L. 92-318 As Amended, the Indian Education Act of 1972 (IEA) Title IV

There has been more accomplished in the field of Indian Education and Indian Self-Determination through the Indian Education Act than through any federal legislation in the history of the United States. In just twelve (12) years of active participation and input by Indian parents and Indian educators, there have been many achievements in education on which we all can look on with pride.

This legislation, accompanying appropriations, and administration of programs has made it possible for Indian people to begin planning and operating their own education programs, set educational goals and priorities, and commence to meet their own unique educational needs which historically have been neglected and misinterpreted by the federal government and others.

The establishment of the Presidentially appointed "National Advisory Council on Indian Education" through the (IEA) has provided the President and Congress with accurate and consice information on the nature of Indian Education; its specific needs; and progress being made throughout the nation. It has served as well as a forum from which to address critical Indian Education issues and concerns. In the past its members have represented a true cross representation of the American Indian and has voiced the concerns of these people rather than that of a few distinguished Indian authorities as has been done in the past.

Congress and the people of this country can look upon the Indian Education Act as a fine example of the Democratic process and a meaningful expenditure for real benefits.

1. Part "A"
   ****

Under this section of Title IV the Indian tribes, clans, organizations, schools and communities have the opportunity for the first time "ever" to determine to a significant extent the development and implementation of programs designed to meet the "Unique Cultural and Educational Needs" of their own peoples.

Many benefits have come about through Title IV, Part "A", which allows for Indian involvement in the education process. In Montana these benefits are demonstrated by the fact that: There are Indian controlled schools and school boards, tribal schools or contract schools exist on many reservations.

There are more Indian children completing high school and going on to post-secondary institutions. In 1983, the estimated number of Indian students in higher education is over 3,000. This is an increase of 100% in 10 years.

Today Indian parents are informed and participate in the local education system. This is a critical facet of education in Montana since our school systems are locally controlled. Parental involvement on Title IV Indian Parent Advisory Committees, at first resisted by non-Indians, has evolved into a cross cultural bridge of understanding and concern. Teachers who now understand cultural values of Indian people are rapidly becoming the most effective teachers in our school systems.

Indian children are not being missed by the system, kicked out, or processed without learning as they have been in the past.

2. Part "B"
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Under Part "B", Title IV, there has been a tremendous growth in the technical assistance, teacher training, educational services, and development of culturally relevant curriculum for Indian schools. Many of these programs have filled the professional and technical gap existing when Indian people entered upon the educational scene.

Fort Belknap operated (2) Title IV, Part "B" Projects during 1977-1983 under which many services were provided including: counseling, parent committee training, curriculum development, technical assistance to schools, and research into Indian Education issues. Under these projects the Education Department was able to record and transcribe a very extensive amount of historical and cultural information. Many of this information would not be passed on to future generations if it had not been recorded in a timely manner.

3. Part "C" - Adult Education
****

Fort Belknap has been fortunate to have operated a Title IV, Part "C" Project since 1977. Under this authorization the Fort Belknap Adult Education Project has provided services to over 1500 Indian adults, 350 Indian adults have received adult basic education services, 180 Indian adults have completed their high school equivalency diploma (GED), 700 Indian adults received services through first-aid classes, education training, cultural enrichment classes, etc., 960 Indian adults received services in job placement, counseling, life coping skills and consumer education, 290 Indian ranchers and farmers received training in beef and crop production, artifical insemination, ranch management, etc. Similar Indian adult education projects have as impressive records on other reservations, and in some cases, are even more impressive.

Fort Belknap is operating a Computer Aided Instruction Demonstration Project, under Part "C", which will demonstrate the introduction and utility of computer assisted instruction in adult education. This project anticipates the impact and use of the computer in education and is striving to determine how it can best be used to advance education for Indian people.

The Indian Education Act addresses the special educational and culturally related academic needs of Indian children and adults. While significant gains were achieved in the 1970's and early 1980's, the American Indian and Alaskan Native continue to be the most economically and educationally disadvantaged group in this country. It is still the case that:

> INDIAN STUDENTS attend and complete school, as well as enter and complete higher education, at rates far below their majority counterparts;
>
> UNEMPLOYMENT RATES for Indian adults and poverty rates for Indian families, greatly exceed rates for the majority population; and,
>
> HOUSEHOLD INCOMES are significantly lower for Indian families than for non-Indian families.

The U.S. Congress has recognized that by improving the educational IN RECOGNITION OF THE SPECIAL RELATIONSHIP AND TRUST RESPONSIBILITY EXISTING BETWEEN INDIAN TRIBES AND THE FEDERAL GOVERNMENT, TITLE IV, THE INDIAN EDUCATION ACT OF 1972, MUST CONTINUE IN THE FUTURE.

At this time I would like to make recommendations for an increased appropriations for Title IV based upon the present administrations efforts to reduce funding and to ignore the federal trust responsibility to the Indian people of this country and the increased educational needs of the American Indian.

I am formally recommending that:

a) Part "B" funding be increased from $12,000,000. to $17,000,000. or an increase of $5,000,000.

b) Part "C" funding be increased from $3,000,000. to $6,000,000. or an increase of $3,000,000.

Mr. Chairman and other distinguished members of the Committee, Indian people do not want to return to the 1930's. Our success and achievements in the 1970's and 1980's are attributed largely to the Indian Education Act of 1972. We have come a long way in the past twelve years.

We are dependent upon the Congress of the United States to guarantee our right to self determination and an adequate education. We have presented our case with accuracy and trust your judgement to insure our future as a people.

Thank you very much for allowing me to submit this testimony to this very distinguished committee of the U.S. Senate.

STATEMENT OF JOSEPH B. DELACRUZ, CHAIRMAN, QUINAULT INDIAN NATION, TAHOLAH, WASH.

The Quinault Indian Reservation is situated on the Pacific Coast of the Olympic Peninsula within the boundaries of Washington State. Due to our rural, isolated, geographic location, the Quinault economy depends primarily on the management, development, harvesting, and processing of our forestry and fisheries natural resources and the improvement of our membership infrastructure to fill our manpower needs.

Fisheries and forestry operations are extremely dependent on scientifically sound management practices to ensure sustained and potentially increasing yields. The processing of the harvest yield is a delicate business enterprise fluctuating according to regional, national and international demands. The prosperity of the Quinault Tribal membership stretching to future generations depends on our current capabilities to manage and develop these resources.

Effective Tribal governments depend on a stable resource base for annual operations and future planning. Although the FY84 Interior Appropriations legislation became law within the first month of the new fiscal year, Tribal governments received tentative Advice of Allotments in mid-February. BIA personnel have threatened that further reductions are contemplated in the next several months creating further instability. As the BIA and the IHS are the only agencies directly mandated to serve American Indian people, these agencies should be held accountable to support the self-determination principles foremost among their priorities.

On a nationwide scale, three major issues have emerged of concern to Tribes and this Committee. First, the BIA's unwillingness to request realistic appropriations for their ADP services is believed to be largely responsible for current funding uncertainties. Second, the Inspector General's Office for the Department of Interior has applied theoretical accounting principles to developing Tribal government indirect cost rates threatening scarce Tribal reserves as compensation for over and under recovery of indirect costs. And finally, the BIA has proposed to lump sum Contract Support Funds and program funds in FY85 with mysteriously derived allowable indirect cost limitation on Tribal assumption of new 638 programs. In all three issues, the Tribes must endure continued uncertainties while the bureacracy attempts to impose simple solutions to extremely complex issues. We urge this Committee to review in-depth these issues and consider realistic solutions to benefit Tribal governments during the FY85 appropriations considerations.

The Quinault Indian Nation strives for management control of their renewable fisheries and forestry resources as well as the provision of direct health, social, and education services to our people. Under normal circumstances, these would be difficult endeavors. With this administration's mean spirited disregard for the importance of human service delivery systems and services and the breaucracy continued efforts to maintain control over Tribal developments, our valuable energies and resolve are diverted and taxed to understandable limits.

The Quinault forest situation is well known to this Committee. Clear cutting harvest techniques by private timber companies allowed under existing BIA contracts have left a devasting wake of wood slash. Individual allotments with multiple heirs have created a checker board maze of timber land ownership and right of way ownerships impeding comprehensive management. The reservation road system, necessary for access, continues to deteriorate due to rain forest weather conditions and inflating maintenance costs. Our continued struggle with the BIA to manage the restoration and reforestation of this valuable resource for the Tribal future is a most frustrating exercise.

In the 1977 appropriations, this Committee embarked on a ten year reforestation initiative for Indian Tribes. Since 1977, Congressional Tribal Forestry appropriations have increased by 7.23 percent a year. BIA Central Office allotments to the Portland Area Office have increased by 8.18 percent per year. Portland Area Office allocations to the Olympic Peninsula Agency serving the Quinault Nation have increased zero percent. And the BIA Olympic Peninsula Agency allocation to the Tribe averages a minus 3.72 percent per year. As you may recall, the BIA reduced Quinault forestry by $100,000 in February of 1983 with funding restored only after action by this Committee regarding the $475,000 annual appropriations for our reforestation initiative. Although our current contract provides tentative funding relatively level to FY83, we now have been informed in writing that an $84,700 reduction is planned for other intensive forest management 638 contract funds. Why, we ask, is the BIA so intent on annually cutting the Quinault intensive forest management program? We request this Committee to instruct the BIA to fully support the Quinault reforestation and intensive forest management efforts and give consideration to further program expansion.

Indicative of the BIA disregard for Tribal and allottee involvement in decisions impacting the Quinault forestry resource is a recent contract revision between ITT-Rayonier, a private logging firm, and the BIA. The ITT-Rayonier Company entered into contract with the BIA in 1952 to log both good and bad timber on a 62 square mile area within the reservation boundaries. The recently concluded contract revision allowing ITT-Rayonier not to cut all the timber was concluded without Tribal consultation. Where in this negotiated settlement, we ask, are the principles of Tribal sovereignty and self-determination?

Management, enhancement, and protection of the Quinault Nation's fisheries resource represents a more complicated effort. User groups competing for this limited resource include commercial and recreational fisheries interests in Washington State as well as interest groups from Alaska, Oregon, and Canada. Management entities over this same resource, gathering their own technical data for their own unique purposes include the Washington State Departments of Fish, Game, and Natural Resources, the Pacific Fisheries Management Council, National Marine Fisheries Services, National Park Service, U.S. Forest Service, and Alaska, Oregon, and Canadian fisheries management agencies. Adding these management agencies and user groups together with a highly charged political atmosphere creates understandable tension and disagreement.

The four elements necessary for comprehensive management of fisheries affecting coastal stocks and the Tribal terminal fisheries include: 1) a common data base; 2) understanding our agreement on management goals and policies for the stocks; 3) long-term planning for production and harvest management to achieve those goals; and, 4) coordinated planning for each season's fisheries with timely up-dates of stock status information. The Quinault Nation proposes an additional $94,000 to support a Salmon Fisheries Technical Management Coordination Center to provide high level technical support to Tribal decision-makers; coordinate technical management information and management plans with State and Federal agencies; and, serve as a technical interface with respective agency staff including staff from Alaska, Oregon, and Canada.

The Quinault Nation also requests consideration of an additional $244,500 to cover operational expenses for two hatchery systems on the Raft and Salmon River systems planned for construction completion in February and the Summer, respectively. These unique, isolated river systems, deplete of any sizeable anadramous fisheries, offer excellent experimental potential for enhancing the wild stock commerical and recreational salmon fisheries in a relatively controlled environment.

The Quinault National Fish Hatchery was transferred from the Fish and Wildlife Service in FY84 by administrative request and the approval of the appropriations committees. The FY85 appropriation request to operate this facility is $207,000. This is the operational cost for December 1982; well below the FY83 operating cost level of $238,000 and the FY84 need of $245,000. The Quinault Nation is very interested in contracting to operate the facility with the existing Quinault Tribal member staff. However, the Tribe will need assurances that appropriations for operation relate to existing operational needs and that Fish and Wildlife Service traditional support elements such as cyclical maintenance funding and technical biologist support staff will be available in FY85. Anything less and we must assume that the Fish and Wildlife Service has unloaded a facility on the BIA at minimal expense to its support obligations.

And finally, as relates to Tribal fisheries, is the recent experience of the Boldt Case Area Tribes regarding the Committee's additional appropriation for fisheries management and hatcheries O&M for FY84. As outlined in the House report, these funds were clearly identified for each Tribal government. A total of $1,564,000 was transferred to the Portland Area Office for distribution to the Boldt Case Area Tribes. Although all Tribes had agreed on the allocation formula, the BIA Area Office revised the formula and distributed funds counter to the opinion of a majority of Tribes. It is but another lesson that the road to self-determination is created by Congress, but built and poorly maintained on an up hill slope by the BIA.

The Tribal government system requires an effective and sound court system to enforce Tribal law and order codes and Juveniles Code. The Quinault Nation is one of two self-regulatory Tribes regarding fisheries and has assumed authority for child adoption and foster care. Since the Tribe has received no Indian Child Welfare funding since 1981, the court operated on a base contract of $39,000 to support a full-time Chief Judge and Court Clerk. A dramatic increase in cases and appeals in both civil and criminal matters have pressed court personnel beyond capacity. Last fiscal year this court handled 260 cases involving children, 61 civil cases, 83 criminal cases, 38 traffic cases and the cost of travel, per diem, and administrative support for an appellate court of 3 judges to hear 5 appeals. The Tribe desperately needs the services of a chief judge, associate judge, court clerk, administrator, part-time prosecutors and defenders and a legal secretary for the attorneys. At least $120,000 in increased appropriations will be required.

The legal system of any government determines its legitimacy to govern fairly under a set of principles the people understand both for protection and punishment. The Public Law 93-638 Section 104 allows funding for Tribal governments to "improve Tribal capacity to plan, conduct, and administer the Federal programs" and the administrative Code of Federal Regulations defines this section "to strengthen Tribal government." Unfortunately, the Senate Appropriations Committee report for FY83 short-sighted limits this funding to "improved accounting systems." The BIA has applied a literal interpretation to this statement disallowing use of 638 grant funds to support Tribal Court improvements. We would appreciate a reversal of thus ruling to allow Tribes the flexibility to fund Tribal government programs based on their own identified needs.

The social service demands on the Quinault Nation stretch far beyond the capacity to adequately provide. A small 638 contract and a minimal State of Washington Child Placement Contract supports one social worker and one case-aide trainee. These staff handle over 200 active cases and have placed 76 children in foster homes requiring home visits, family counseling, referral for welfare and food stamps, transportation, and the numerous other tasks necessary to ensure that those bordering on the fragile side of existence receive care. The State of Washington, by comparison, limits trained professional caseworkers to 15 cases. There is obviously no equity to social service and judicial systems designed to interact with State and Federal counterparts. In social services, we will need a $60,000 increase to reduce the caseloads to manageable sizes and provide direct service without increasing the current scope of work.

In closing, the Quinault Indian Nation has been determined to succeed in achieving a true form of self-government within the political and geographic confines of the United States. We will continue towards that goal this year in seeking the reauthorization of the Indian Health Care Improvement Act and the Administration for Native Americans so supportive of our needs. We will seek, once again, the restoration of Community Health Representative funding so beneficial to our communities yet so seemingly inconsequential to this administration. We will attempt to strengthen and extend the provisions of the Tribal Tax Status Act offering a yet unused avenue for development financing. And, hopefully, in the near future, Congress will consider multi-year block grant funding for Tribal governments to drastically reduce bureaucratic waste and support a true self-government for those Tribes willing and capable to manage.

The Senate Appropriations Committee should provide full support for the Administration's $10 million request for the Economic Development Grant program. We request that the 75 percent private or alternative financing match requirement for Federal funds be reconsidered as possibly too prohibitive to attract private financing for worthwhile economic development initiatives.

And finally, although not the direct charge of this Senate Committee, we urge support for the permanent status of the Senate Select Committee on Indian Affairs to be determined during this Congressional session.

RESOLUTION OF THE HOOPA VALLEY TRIBE, HOOPA INDIAN RESERVATION, HOOPA, CALIF.

RESOLUTION NO: 84-30

DATE APPROVED: March 1, 1984

SUBJECT: FISCAL YEAR 1985 FEDERAL ADD-ON APPROPRIATION REQUEST

WHEREAS: The Hoopa Valley Tribe did on June 20, 1972, adopt a Constitution and Bylaws which was approved by the Commissioner of Indian Affairs on August 18, 1972, and Article IX, Section (5) of this Constitution and Bylaws authorized the Hoopa Valley Tribe "to negotiate with the Federal, State, and local governments on behalf of the Tribe," and,

WHEREAS: The fish runs of the Klamath River basin are of priceless cultural and resource value to the people of the Hoopa Valley Tribe, and,

WHEREAS: The fish runs of the Klamath River basin are in a depressed condition that is of great concern to the Tribe, and, WHEREAS: The Fisheries Department has prepared a budget and justification for necessary add-on funds for the fiscal year 1985 federal budget for fishery management purposes, and,

WHEREAS: Rebuilding the fish runs of the Klamath River basin is an essential priority of the Tribe,

NOW THEREFORE BE IT RESOLVED: That the Hoopa Valley Business Council hereby submits this request for additional appropriations for fishery management for the Fiscal Year year 1985 federal budget.

CERTIFICATION

I, the undersigned, as Chairman of the Hoopa Valley Business Council do hereby certify that the Hoopa Valley Business Council is composed of eight members of which 7 were present constituting a quorum at a reqular meeting thereof; duly and regularly called, noticed, and convened, and held this 1st day of March 1984; and that this resolution was duly adopted by a vote of 6 for and 0 against, and that said resolution has not been rescinded or amended in any way.

DATED THIS 1ST DAY OF MARCH 1984.

Elsie G. Ricklefs
ELSIE G. RICKLEFS, CHAIRMAN
HOOPA VALLEY BUSINESS COUNCIL

ATTEST: Deirdre R Young
DEIRDRE R. YOUNG, EXECUTIVE SECRETARY
HOOPA VALLEY BUSINESS COUNCIL

Federal FY 85 Budget Add-On Request

Fisheries Request

Harvest Management	160,000
Fisheries Enforcement	150,000
Stream/Watershed Rehabilitation	200,000
Total	510,000

The severe decline in the salmon populations of the Klamath River basin is due largely to habitat degradation throughout the basin, water diversions such as the Trinity dam, and excessive harvest rates. Watersheds of tributaries to the Trinity and Klamath Rivers on the Hoopa Square have deteriorated dramatically from timber harvesting and road construction activities. Fish populations in these tributaries are presently a small fraction of recent historical levels. The United States Fish and Wildlife Service ranked anadromous salmonid problems of the Klamath River basin number 18 of 78 "Important Resource Problems" in the United States.

Since 1978 when Indian commercial fishing was banned in the Klamath River basin for conservation reasons, much controversy has surrounded the management and regulation of the Klamath gill-net fishery. In the past few years, and again in FY 1984, inadequate appropriations for fishery management and enforcement have caused curtailment of necessary management activities, gaps in data collection, and obstructions to fishery enhancement and rehabilitation activities. The short term approach to solving these problems has only created mistrust and uncertainty among the management entities and user groups. Long term planning for credible Indian fishery management is needed for solution of these problems. These add-on funds are needed to provide continuity to the Inidan fishery management and enforcement programs necessary for resource conservation.

Sufficient funds from stream enhancement and watershed rehabilitation will permit recovery of the fish habitat approaching that of historical levels. Only with these activities on the square and throughout the basin can salmon population levels begin to approach satisfactory levels.

STATEMENT OF CALEB SHIELDS, CHAIRMAN, MONTANA INTER-TRIBAL POLICY BOARD

In this statement, the Montana Inter-Tribal Policy Board present its views on the President's proposed budget for the Bureau of Indian Affairs, the Indian Health Service, and Indian education. On behalf of all the Montana tribes, the Board expresses its grave concern over the proposed budget, which would reduce or eliminate many important programs and contains virtually no real increases.

We begin with the proposed budget for IHS, which shows a shocking disregard for the health needs of the Indian people.

1. IHS Clinical services: On paper, IHS proposes an additional $27 million for clinical services, which is an apparent 4 percent increase. But because medical costs have increased 13 percent over the last year, in real terms IHS is proposing a 9 percent decrease. Furthermore, much of the additional $27 million would supposedly be derived from third party reimbursements, such as Medicare and Medicaid. IHS projects that it will receive $65 million in reimbursements next year. This is a completely unrealistic and unsupported figure. The FY 1984 reimbursements were far below this amount, and virtually every factor that will affect the level of reimbursements -- such as probable Medicaid reductions by the states -- points toward lower reimbursements, not higher ones.

Thus, even the grossly inadequate increase IHS has proposed for clinical services would really be a substantial decrease. We urge the Committee -- as it did last year -- to ignore the IHS projections for reimbursements, and support an increase of at least 13 percent for clinical services.

The Montana tribes are all particularly concerned with the prevention and treatment of alcoholism. This terrible problem increases crime, unemployment, and family strife on the reservations, and also creates increased demand for overburdened programs such as IHS clinical services and BIA General Assistance. IHS-funded alcohol programs have made some inroads on these problems, but need to be greatly expanded. We are therefore very disappointed that the proposed budget of $24.6 million for alcohol programs would force our member tribes to shrink these programs, not expand them. We urge the Committee to support a budget of at least $30 million for these crucial programs.

2. IHS contract care: Nationwide, the backlog of contract care cases is over $20 million. The bulk of this backlog consists of surgical cases. As we understand it, IHS will not pay for surgery unless there is a "life-or-limb-threatening" situation. This means that many serious problems, such as cataracts, gallstones and orthopedic conditions go uncorrected.

The IHS budget makes no attempt to address this problem. We urge the Committee to support, as it did last year, increases in contract care that will remove at least part of the backlog.

3. Indian health manpower: The Board strongly opposes this Administration's efforts to reduce health scholarships and eliminate funds for recruitment and the INMED program. The Billings IHS area is chronically understaffed. There is great

difficulty in filling professional positions, particularly for physicians. The long-term solution to this problem is increased funding for training of Indian health professionals. Right now, intensified recruiting efforts are needed. The proposed budget would not provide either a long-term or short-term solution.

We would understand the Administration's reluctance to fund these programs if they were ineffective, but in fact, the opposite is true. For example, since 1980, not a single student assisted by INMED has dropped out of school. This is unheard of for students of any cultural or economic background. We urge the Committee to take statistics such as these into account and to restore funds for scholarships and recruitment.

4. IHS facilities construction: Once again, the Administration proposes to eliminate all funds for facilities construction. This callous disregard is simply beyond belief. As a group, the Montana tribes are in desperate need of new hospitals and clinics as well as sanitation facilities. We beseech the Committee to continue to reject the potentially disastrous elimination of IHS construction funds.

5. IHS community health representatives and urban health: The Administration is once again seeking to eliminate CHR and urban health programs. We are grateful for this Committee's support for the CHR program, and are counting on your continued support.

CHR activities include follow-up visits for surgical patients and clinics for patients with hypertension, diabetes, and ENT problems. The program is extremely cost effective because it catches potentially serious problems at an early stage and encourages patients to seek treatment who otherwise would wait until their conditions became acute. In addition, the Board opposes the proposed cut in funds for public health nurses, who work closely with the community health representatives.

We also strongly support the urban health program. Members of all the Montana tribes go to the cities to find work, and need health care. If the urban program were eliminated, many of our urban members would simply go without health care, and then return to the reservations if a serious problem developed. This is obviously not cost effective.

We now turn to the budget for the Bureau of Indian Affairs and Indian education.

1. Indian education: All of the Montana tribes are firmly convinced that education is the best hope for their children to achieve a better standard of living. The tribes rely particularly on the Johnson-O'Malley and Title IV programs to provide a high quality education. Therefore, we are concerned that the President's proposed budget would leave both of these programs at current levels, which of course means a real decrease.

Given the decreases of the past three years, our schools simply cannot absorb any more cuts. Too many important programs have already been eliminated. These include tutoring and counseling programs -- the very programs that enable Indian children to stay in school and improve their academic performance.

The Board is also concerned that the President's budget does not request any funds for school construction under the impact aid program. This is supposedly because so much money was appropriated last year for this program -- yet the Department of Education acknowledges that for schools serving Indian children, there is an unmet need of $195 million.

We simply do not understand the current Administration's attitude toward funds for education. We realize that President Reagan wants states and local communities to take the primary role in school funding, but by definition, communities that receive impact aid cannot meet their own needs for education funds. We urge the Committee to support an appropriation of at least $20 million for impact aid school construction.

There are five tribally controlled community colleges in Montana. According to the BIA budget justification, the allocations for all three colleges would be reduced under the President's proposed budget, whereas the number of students would either stay the same or increase. We urge the Committee to support an appropriation for community colleges that is consistent with the level mandated by the FY 1983 Senate Appropriations Committee report on appropriations for the Department of the Interior.

Also, we request the Committee to provide funds for the new endowment program authorized by Congress last year. The BIA budget justification does not even mention this program, which would help the colleges attract private sector funds.

Finally, the Board objects to the proposed cut in funds for adult education. The BIA blames tribal budget priorities for the proposed cut, which is simply ridiculous. Instead, it should acknowledge that its budget is too low fairly to reflect tribal priorities. We urge the Committee to support an increase in adult education programs.

2. Irrigation: Several Montana tribes have an urgent need for irrigation funds. Their irrigation projects are either unfinished or are badly in need of renovation and repair. Yet, the proposed budget contains no funds for construction of small irrigation projects and in general contains inadequate funding for irrigation. We request the Committee to support increased funding for irrigation maintenance and construction.

3. Housing: The BIA proposes to cut the budget for the HIP program. Under the proposed budget, the BIA would build and renovate fewer homes next year then it has this year. How can this be justified when there is a shortage of decent, safe, and sanitary housing throughout Indian country? Many Montana Indians live in substandard conditions. Overcrowded and unsafe housing is common.

Once again, the BIA is blaming tribal priorities for its own proposed cut. We urge the Committee to reject the BIA's spurious justification for its proposed cut and to support a substantial increase in funds for the HIP program.

4. Land Acquisition: Once again, the BIA has requested no funds for land acquisition. Everyone pays lip service to the need for land consolidation, but the plain fact is that without funds to purchase land, significant land consolidation will never occur. We hope that the Committee will look at this issue carefully during the coming weeks, and provide needed financial assistance.

The Board appreciates the Committee's careful consideration of its testimony.

STATEMENT OF BUFFALO TIGER, CHAIRMAN, MICCOSUKEE TRIBE OF INDIANS OF FLORIDA

Mr. Chairman, I appreciate the opportunity of presenting the views of the Miccosuke Tribe of Indians of Florida on the proposed Bureau of Indian Affairs budget for Fiscal Year 1985. We wish to bring several matters of importance to our Tribe to your attention.

In 1982 Congress enacted the Florida Indian Lands Claims Settlement Act. This Act extinguished the claims of our Tribe to most of the present State of Florida and gave us in exchange 189,000 acres under a perpetual lease. It also transferred our former state reservation to the Federal Government in trust for the Miccosukee Tribe. Under the

Settlement Act, the 189,000 leased acres is treated as a federal reservation for determining the elibility of our Tribe for federal programs for which Indians are eligible because of the status as Indians and residence on a federal reservation. The former State reservation is now by Act of Congress held in trust by the United States for the benefit of the Miccosukee Tribe.

On June 30, 1983, we wrote to the Bureau of Indian Affairs pointing out that the Settlement Act established our eligibility for certain additional federal programs and an immediate need for federal services in resource management and realty to insure that the federal trust responsibility is fulfilled. We proposed a $100,000 resource management and real estate office to provide resource management and real estate services comparable to those provided with respect to other federal reservations. Based on our experience in operating Bureau programs since 1970, we propose to provide these services under P.L. 93-638 in accordance with federal Indian self-determination policy and regulations. (25 C.F.R. §§271.31 to 271.34).

The Bureau has not responded to this request. We have not been provided in FY 1984 with any assistance in connection with our trust resources. We have recently received the enclosed breakdown of the funding levels for our Bureau programs in FY 1985. No funds for natural resources or trust services in connection with the additional lands provided to us under the Settlement Act are included.

We have no choice, therefore, but to ask your help in providing the financial resources to enable the Bureau to assist us in conserving and managing the lands and waters which have been confirmed to us in exchange for the release of our claims to most of the State of Florida. We request you to include $100,000 in the FY 1985 budget so that the

Bureau can fulfill the federal responsibility with respect to these lands clearly contemplated in the Settlement Act.

We also wish to raise several other points on our Bureau budget. We understand that funds intended by Congress for the operation of the Miccosukee Indian School may have been diverted to other purposes by the Bureau. We have requested clarification as to whether this action has been taken with the consent of the Appropriations Committees and have received no response. If, in fact, the Bureau is using the funds contrary to the wishes of Congress, we respectfully request that action be taken, through the General Accounting Office or otherwise, to compel the Bureau to cease diverting funds to purposes other than those for which they have been appropriated.

Finally, we have been promised since the enactment of the Settlement Act that the Bureau will survey the boundary of the federal reservation established by that Act. No action has been taken, however, although the Bureau has told us that sufficient funds are available in its budget for such surveys. We have not been told when the survey can take place. We, respectfully, request your assistance in encouraging the Bureau to proceed with this matter.

We also wish to register the opposition of the Miccosukee Tribe to the Bureau's proposal to eliminate the separate Indian Contract Support fund. The separate fund has enabled the Bureau to contract many programs to us and to other tribes without the necessity to reduce the level of services to tribal members. The elimination of the separate fund from which overhead needs established through annual negotiations can be provided will mean that tribes will be forced to pay a financial penalty for contracting. The implementation of the Bureau's new overhead plan will thwart Congress's policy of encouraging tribal operation of BIA programs.

Finally, we are concerned at the Bureau's continuing failure to carry out its responsibility as to "Major repairs" with respect to federally-owned buildings in which we carry on our 638 contract programs. We are preparing and will submit to you shortly a detailed report on this problem. Unless the Bureau's performance in this area improves in the near future, these buildings will deterioriate drastically.

With respect to the Indian Health Service budget, the Miccosukee Tribe wishes to express its appreciation of your continued support for the Community Health Representative program of the Indian Health Service and to urge that you will once again reject the Administration's proposal to abolish this important program which has contributed so much over the years to improvements in Indian health.

June 30, 1983

Mr. Harry A. Rainbolt
Area Director
Eastern Area Office
Bureau of Indian Affairs
1951 Constitution Avenue, N.W.
Washington, D.C. 20245

Dear Mr. Rainbolt:

As you know, the Miccosukee Tribe of Indians of Florida, as a result of the Florida Indian Land Claims Settlement Act of 1982 (Public Law 97-399) has acquired some 189,000 acres of additional land between U.S. Highway 41 and Alligator Alley and, in addition, the Miccosukee State Indian Reservation has been transferred to the United States by the State of Florida to be held as an Indian reservation in trust for the Tribe.

Section 6 of Public Law 97-399 provides that the 189,000 acre tract shall be treated as a federally-recognized Indian reservation for purposes of determining the eligibility of the Tribe for federal programs for which Indians are eligible because of their status as Indians and their residence on a reservation. With respect to the Alligator Alley Reservation, itself, the

Bureau of Indian Affairs now has the responsibility to protect and enhance the corpus of the trust estate by providing the Tribe with the professional, technical, administrative and protective services required of the United States in its role as trustee of Indian-owned real property.

The Public Law 97-399 significantly increased the responsibilities of the Tribe and the Bureau of Indian Affairs in such areas as agriculture, fisheries, wildlife and parks, water resource planning and conservation and environmental quality concerns, forestry and fire suppression, minerals and mining, rights protection, and real estate services. As you are well aware, the present Bureau of Indian Affairs budget for services to the Miccosukee Tribe does not provide anything to support these additional responsibilities. Initially, it is imperative that the Bureau assist us in the sound and orderly planning of the development of these new resources in a manner consistent with the legal constraints applicable to these lands and waters under Public Law 97-399 and with the federal trust responsibility applicable to the Reservation land.

This immediate need involves the establishment of a resource management and real estate service office which would have responsibility for:

(a) all real estate actions (lease and right-of-way processing, etc.), relating to the Miccosukee Reservation;

(b) planning and implementing programs on tribal lands for the benefit of the Tribe involving water and wildlife resource development and conservation, roads maintenance and development, public/recreational projects, and other income-producing tribal enterprises related to tribal land development;

(c) negotiating all necessary federal and state agency approvals and clearances to permit tribal projects to go forward;

(d) identifying financial resources (federal, state or private) which may be available to the Tribe to finance such development programs and projects.

We are attaching a proposed budget and request that the funds be included, if possible, in the Bureau of Indian Affairs budget for .F.Y. 1984. As we have discussed, the Tribe is not able to re-program funds from other essential reservation activities to meet the needs resulting from the Settlement Act. As we recognize that the F.Y. 1984 budget cycle is now well along, we have tried to keep this request to the minimum essential to enable us to work with the Bureau to initiate a program in F.Y. 1983. We urge that consideration be given to expanding this program in F.Y. 1985 and I will be glad to meet with you in the near future to develop a detailed program justification for F.Y. 1985.

Sincerely,

Buffalo Tiger

Buffalo Tiger
Chairman

Miccosukee Tribe

Alligator Alley Reservation

Proposed Budget

For Start-Up

Resource Management and Real Estate Office

Resource Management Staff, including Clerical support	$ 75,000.00
Local Travel	4,000.00
Out-Of-Town Travel	5,000.00
Supplies	1,000.00
Office Equipment	10,000.00
Total Direct Cost	$100,000.00

STATEMENT OF TONEY ANAYA, GOVERNOR, STATE OF NEW MEXICO

SUMMARY

This statement is submitted in support of appropriations to the Bureau of Indian Affairs (BIA) to continue construction and operation and maintenance of the Navajo Indian Irrigation Project (NIIP) which, in recognition of the obligation of the United States to the Navajo Tribe, was authorized in 1962. The project, located in the northwestern corner of New Mexico, will furnish water for the irrigation of 110,630 acres of land and will provide a higher standard of living for 33,000 Navajos.

In 1980 the Bureau of Reclamation (BR) and the BIA differed on the water delivery capability of the project works and the productive acreage to be served by the works. Because of uncertainty about the appropriate water delivery capacity no money was appropriated for fiscal year (FY) 1984 and only $3 million was appropriated for FY 1983 for continued construction of NIIP, as compared to

$11,480,000 in FY 1981 and larger amounts in previous years. No funds are included in the FY 1985 budget request.

The problem of water delivery capacity and increased productive acreage has been resolved by written agreement between the Interior Assistant Secretaries for Land and Water Resources and Indian Affairs. The Office of Management and Budget (OMB) continued to be concerned about the ability of BIA and the Navajo Tribe to subjugate and manage additional acreage. The on-farm management problems were studied by a management task force appointed by BIA and a report was submitted to the appointing official in December 1981. In April 1982 a task force appointed by the Assistant Secretaries for Land and Water Resources and Indian Affairs made a report which was followed by a supplemental report submitted in December 1982. Both of the reports were positive. Therefore, construction of the project works should now proceed expeditiously and efficiently.

After 22 years the project is only 44% complete. An appropriation of $9.1 million in construction funds in the FY 1985 BIA appropriation for the project would provide funds to award contracts for one-half of the Block 6 facilities. However, an appropriation of $17.7 million can be effectively utilized in the FY 1985 BIA appropriation to award contracts for additional Block 6 facilities and to return to a construction schedule that would complete facilities required to deliver water to one additional block each year.

I urge that $17.7 million in construction funds be included in the FY 1985 BIA appropriation for the project.

The FY 1985 budget for BIA includes $3.483 million for operation and maintenance of the project and $964,000 for on-farm development. I fully support an appropriation of these amounts in the FY 1985 budget.

STATEMENT

The 1868 Treaty between the United States of America and the Navajo Tribe of Indians provides that any Navajo being the head of a family and desiring to commence farming shall have the privilege to select 160 acres in the Navajo Reservation to be held in the exclusive possession of the person selecting it and of his family so long as he or they continue to cultivate it. The treaty further provides that any person over 18 years of age not being the head of a family may in a like manner select and hold 80 acres within the reservation for purposes of cultivation. The Treaty further provides that the Navajo head of a family is entitled to receive seeds and agricultural implements to help him get started in his farm enterprise. Even a casual examination of precipitation records shows that irrigation is essential if these Treaty provisions are to be given effect of much significance.

The law which authorized the Colorado River Storage Project in 1956, Public Law 84-485, explicitly recognized that assistance to the Navajo Tribe in the form of an Indian irrigation project is the responsibility of the entire nation. The Navajo Indian Irrigation Project was authorized in 1962 by Public Law 87-483 to meet the obligation implied in the 1868 Treaty and explicitly recognized by the Colorado River Storage Project Act.

The desperate needs of the Navajo Tribe have been the subject of much concern to the people of the United States. Construction of the Navajo Indian Irrigation Project could do much to alleviate the grinding poverty suffered by the 150,000 people of the nation's largest Indian tribe.

When it is completed, the Navajo Indian Irrigation Project will have a profound effect on the economic and social life of the Navajo

Tribe. Not only will 2,500 to 3,000 people be employed directly in the farming activities, there will also be substantial opportunities for employment and involvement for two and one-half to three times that number in the agri-business and service and supply activities associated with the farming operations. The workers and their families will require housing, schools, police and fire protection, and all the services connected with daily living. This will furnish employment for many thousand others.

Funds to initiate construction of the project were first appropriated for FY 1963 and the construction schedule called for the delivery of the first water on the lands in 1970. With the initial delivery of water to the first 10,000 acres delayed until 1976, the most realistic goal is now the addition of a block of about 10,000 acres each year until the project is completed. Facilities to serve Blocks 1, 2, 3, 4 and 5 have been completed, and irrigation water was provided all five blocks in the 1983 crop year.

No additional major construction was scheduled for FY 1983 and FY 1984 because of a difference between the Bureau of Reclamation and the Bureau of Indian Affairs on the appropriate delivery capacity of the works and the amount of productive acreage to be developed and because of the Office of Management and Budget's concern about the capability of the BIA and the Navajo Tribe to subjugate and properly manage additional acreage at this time. The problem of water delivery capacity and increased productive acreage has been resolved by written agreement between the Interior Assistant Secretaries for Land and Water Resources and Indian Affairs. The problem of on-farm management has been studied by a management task force appointed by BIA. The task force report was submitted to the appointing official in December 1981. In April 1982 a task force appointed by the Assistant Secretaries for Land and Water Resources and Indian Affairs reported and a supplemental report was submitted in December 1982. Both reports were positive. Therefore, construction of the project works should now proceed expeditiously and efficiently.

After 22 years the project is only 44% complete. An appropriation of $9.1 million in construction funds in the FY 1985 BIA appropriation for the project would provide funds to award contracts for one-half of the Block 6 facilities. However, an appropriation of $17.7 million can be effectively utilized in the FY 1985 BIA appropriation to award contracts for additional Block 6 facilities and to return to a construction schedule that would complete facilities required to deliver water to one block each year. I urge that $17.7 million in construction funds be included in the FY 1985 BIA appropriation for the project.

The FY 1985 budget for BIA includes $3.483 million for operation and maintenance of the project and $964,000 for on-farm development. I fully support an appropriation of these amounts in the FY 1985 budget

I appreciate this opportunity to present my views on appropriations to the Bureau of Indian Affairs for the urgently needed Navajo Indian Irrigation Project.

STATEMENT OF GERALD R. ZIMMERMAN, EXECUTIVE DIRECTOR, UPPER COLORADO RIVER COMMISSION

My name is Gerald R. Zimmerman. I am the Executive Director of the Upper Colorado River Commission, Salt Lake City, Utah.

The Upper Colorado River Commission is an interstate administrative agency created by the Upper Colorado River Basin Compact of 1948. The Commission represents the States of Colorado, New Mexico, Utah, and Wyoming in matters pertaining to the development, utilization, and conservation of water resources of the Colorado River Basin.

Mr. Chairman, our Commission appreciates the opportunity to support the appropriation of funds to continue the construction of the Navajo Indian Irrigation Project during fiscal year 1985.

Summary of Specific Action Requested

Appropriation of such funds to the Bureau of Indian Affairs as will provide for the orderly development of the Navajo Indian Irrigation Project.

The Navajo Indian Irrigation Project is in Rio Arriba and San Juan counties in northwestern New Mexico. It will provide for the irrigation of 110,630 acres. The project will provide a living for 6,550 Navajo families as farm operators, laborers and employees in service activities. A higher standard of living will be possible for more than 33,000 Navajo Indians.

This project is about 44% completed in terms of cost. The delay in appropriating funds for the completion of the Navajo Indian Irrigation Project defers realization of the full benefits of the funds already expended on this project.

The Governor of New Mexico, in his statement requesting an appropriation for this project, has fully outlined the need and background basis for the continued development of the Navajo Indian Irrigation Project. The Upper Colorado River Commission supports the request for $17.7 million in construction funds to be included in the fiscal year 1985 Bureau of Indian Affairs appropriations for this project, and the Commission further supports the appropriation of $3,483,000 for the operation and maintenance of this project and $964,000 for on-farm development.

On behalf of the Upper Colorado River Commission, I wish to thank you for granting us the opportunity to express our support for the appropriation of funds for the continuing construction of this Navajo Indian participating irrigation project under the Colorado River Storage Project Act of 1956 and the Navajo Indian Irrigation and San Juan Chama Projects Act of 1962, as amended.

STATEMENT OF JAMES B. FIELD, M.D., CHAIRMAN, NATIONAL DIABETES ADVISORY BOARD

The National Diabetes Advisory Board was created by Congress to review, evaluate, and report on national diabetes-related activities. In previous testimony before this subcommittee, we described the extent of diabetes and its complications among American Indian people. In several tribes, over 40 percent of adults are affected and the prevelence rate is increasing rapidly in almost every tribe where data has been analyzed.

The economic impact of diabetes is of particular concern to us and to IHS. Diabetes is not a benign disease. Complications such as amputations, kidney failure, blindness, and sick babies born to diabetic mothers, are increasing in frequency in Indian communities. Diabetes is the second leading reason for adult outpatient visits throughout the IHS. Costs associated with hospitalization and other treatments are also increasing rapidly. For example, the Chief Medical Officer in the Phoenix IHS area estimated that dialysis in his area alone cost almost $3 million last year, and that 80 percent of the cases resulted from diabetes.

Fortunately, it is possible to prevent or reduce the severity of this disease. Special effort is required to apply effective treatment strategies throughout this high-risk population without delay.

In previous testimony before this subcommittee, we outlined a Model Diabetes Health Care Program to develop effective and culturally acceptable prevention and treatment strategies. We are very appreciative that you provided funds to establish five model projects at Fort Totten (North Dakota), Claremore (Oklahoma), Winnebago (Nebraska), Sacaton (Arizona), and Albuquerque (New Mexico). With your assistance, the small budget for this program was increased to $1.4 million in fiscal year 1983 to strengthen the five projects and to begin the dissemination of valuable information to other service units. We wish to provide you with some interesting information about this program and make recommendations for fiscal year 1985.

The five project sites were chosen by the Indian Health Service to represent different types of IHS facilities. The Claremore Indian Hospital is a multiservice referral facility located off reservation. The Fort Totten Health Center is a reservation-based clinic without a hospital. The Sacaton program uses a small hospital with outlying clinics on the Pima reservation. The Winnebago program uses both the reservation hospital and the tribally operated facility on the Omaha reservation. The Albuquerque program serves urban Indians at the Albuquerque Indian Hospital, Pueblo Indians in village clinics, and a small band of Navajos. These five sites account for over 14,000 diabetes-related outpatient visits per year.

Multidisciplinary teams at each site have been organized to intensify preventive services for diabetics and to develop a comprehensive and integrated diabetes care plan, including related conditions such as hypertension, urinary tract infections, foot care, routine screening for complications, nutrition counseling, and patient education. Similar programs in several non-Indian facilities across the country have documented decreased hospitalizations and morbidity, with a net reduction in total health care costs.

Many other units are encountering rapid increases in their diabetic patient caseloads. Increased funds provided by the Congress have permitted the program to initiate urgently needed outreach to some sites. Training courses for IHS health care professionals have been conducted in several regions during the last year. In each case, the large attendance reflects the appreciation of and need for this information. The program also is collecting, adapting, and disseminating professional training materials to assist all IHS personnel. Diabetes screening guidelines have been developed which can be integrated into general health care protocols at all service units.

Effective control of diabetes goes far beyond the health clinic. To encourage a broader, cooperative, community approach to this effort, the National Diabetes Advisory Board has encouraged the establishment of an ad hoc American Indian Diabetes Coalition, composed of individuals and organizations interested in this problem. The purpose of the Coalition is to identify common goals, develop priority initiatives, and coordinate activities. Organizations participating in the Coalition, in addition to the Board and the Indian Health Service, are:

American Diabetes Association
Association of American Indian Physicians
American Indian-Alaskan Nursing Association
National Indian Health Board
National Tribal Chairmen's Association
National Congress of American Indians
Swanson Center for Nutrition

While a total community effort is required, the major responsibility for an effective diabetes control program in the American Indian population will continue to be borne by the Indian Health Service. IHS has recognized the problem and supports this initiative. However, its resources are already stretched thin, due in no small part to the growing cost of diabetic complications, such as kidney dialysis, cited above. IHS does not have the option of transferring resources from the treatment of chronic complications to the prevention of those complications. Therefore, IHS must receive the additional, essential resources to support this prevention program.

The Model Diabetes Care Program is an essential foundation for an IHS-wide diabetes control effort. The model program has gained the necessary experience and information to warrant a broader outreach of its benefits. The Board has carefully considered the needs of this essential program and recommends that the Congress increase the program's budget from the current level of $1.4 million to $1.9 million in fiscal year 1985. These additional funds are needed for the following purposes:

> The Model Program should be expanded from five to seven sites. The original plan proposed by the National Commission on Diabetes in 1976 provided for ten model sites. The Board, in its first report to the Congress in 1978, recommended that only five sites be funded initially. We now recommend that model diabetes projects be established at two more clinics to permit expansion of this important program to additional geographic regions.
>
> Additional outreach from the Model Program can be accomplished by providing modest start-up funds to assist other health service units who wish to incorporate specific diabetes control approaches into their existing health care program.
>
> Additional resources are needed within some of the existing model sites to take full advantage of current experience and opportunities. The additional of one staff member, such as a diabetes teaching nurse or other health professional, would permit several sites to greatly increase their effectiveness and expand their sphere of influence.
>
> Severe visual loss or blindness is a frequent complication of diabetes. Technology has recently provided an effective therapy, laser photocoagulation, that reduces the risk of this complication. Trained personnel experienced in the use of the laser, are available at two of the model sites. However, patients requiring this therapy are routinely sent to non-IHS facilities, at significant cost, because none of the model sites, and very few other IHS facilities, have the necessary equipment. Additional funds to purchase this equipment would increase the quality of care and result in a net savings.

In summary, the Board recommends that Congress increase the budget for the Model Diabetes Care Program from $1.4 million to $1.9 million in fiscal year 1985, and that the personnel necessary to carry out the program in each of the seven sites be provided within the available funds without undue delay.

STATEMENT OF GENEAL ANDERSON, CHAIRPERSON, PAIUTE INDIAN TRIBE OF UTAH

On the 17th day of February, 1984, President Ronald Reagan signed H.R.2898, a bill to set aside lands for the Paiute Indian Tribe of Utah and to establish a trust fund for economic development and tribal government. The legislation provides in Section 4(d) with respect to the establishment of a trust fund as follows:

> The transfer of the approximately Four Thousand Seven Hundred and Seventy acres of land and the appropriation of the $2,500,000 authorized by this Act shall be in complete fulfillment of the provisions of Public Law 96-227 (Paiute Tribe of Utah Restoration Act) relating to the enlargement of the Tribe's reservation.

The Tribe is requesting that the Two and One-half Million Dollars for the trust fund be added to the 1985 budget and appropriated at the beginning of the fiscal year of 1985. This step is extremely important to the Tribe.

First, the requirements of P.L. 96-227 with respect to the enlargement of the reservation, requires the Secretary of the Interior to submit a plan approved by Congress for the setting aside of up to approximately 15,000 acres of land for a reservation for the Tribe. The mandate of P.L. 96-227 is not extinguished until the appropriation of the 2½ Million Dollars designated for the trust fund is established.

Second, the lands which were set aside pursuant to H.R.2898 are lands with no known economic value and will not provide income to the Tribe. Unless the fund is available, the intent of the Act of providing the opportunity of economic self-sufficiency to the Tribe will not be achieved.

Third, the Tribe did not originally support the concept of seeking an appropriation for the fear that Congress would forget its promise to appropriate the money for the fund. As originally proposed by Mr. Marriott, the fund would be established through payments from the mineral revenue account administered by the Department of the Interior. Hence, the Tribe would not have supported H.R.2898 if the trust fund money were not established in fiscal year 1985.

Fourth, until the fund is established, the Tribe will be unable to take advantage of other federally funded economic development opportunities. Thus, the fund is critically needed for seed money or to leverage access to other federally funded programs.

Fifth, the Tribal Council believes that the Tribe must become a significant economic unit if employment opportunities are to become available to its Tribal members. Unfortunately, there are many barriers to equal employment opportunity for Paiutes in the local communities. Because of the benefits flowing from restoration such as educational programs offered by the Bureau of Indian Affairs, the Paiute Tribe has members receiving degrees in vocational and higher education. Its' population is becoming ready to assume the responsibility and opportunities offered by the establishment of the fund.

The Tribe has taken a responsible, conservative approach to the utilization of the fund. Recognizing that the fund represented the only foreseeable opportunity for providing income to the Tribe, the current Tribal Council proposes that the legislation provide the fund be held in trust and that only the income be available for use by the Tribe. Further, the Tribe requests the legislation prohibit use of the fund for per capita payments.

In anticipation of the establishment of the fund, the Tribal Council has formed a Business Committee which will recommend to the Council how the fund should be utilized. This Committee has available to it substantial business expertise and also directly represents input from each constituent band of the Tribe. This Committee will be charged with the responsibility of working with the Bureau of Indian Affairs in developing an investment program for the trust fund and the economic development plan required by H.R.2898.

In summary, the future of economic self-sufficiency for the Tribe and its members rests directly on the establishment of the fund. The Tribe is putting in place the mechanisms to fully realize the potential. Now Congress must keep its side of the bargain and fully fund the trust fund.

HEALTH CARE

When the Paiute Indian Tribe of Utah Restoration Act (Public Law 96-227) was passed on April 3, 1980 it promised to help overcome a wrong that had been done to the Paiute people. As an example, part of Section 3(a) states "The tribe and the members of the tribe shall be eligible for all Federal services and benefits furnished to federally recognized Indian Tribes".

The problem that has developed is from an administrative decision made by the Indian Health Service which has continually denied the Paiute Tribe any medical funding and care through the Contract Health Care Services. The IHS position as stated by the Phoenix Area Director is, "It is with much regret that once again I must answer your question of eligibility for contract health care monies for your Tribal population with a negative answer. Eligibility for CHS dollars continues to remain dependent on Congressional action providing the necessary funds".

At present the Paiute Tribe is providing very minimal health care services to the Tribal membership through IHS/Equity Health Care Funds. Due to the lack of adequate funding the Tribe has had to impose a $10,000.00 limit per person per Federal fiscal year. But, the Tribe is in desperate need of additional health care funds just to meet the basic health problems of the people. The following are examples of the basic unmeet needs:

1. On December 18, 1983 a seventeen (17) year old girl was involved in an automobile accident (that was caused by drinking) which left her bearly clinging to life. She had multiple head injuries, her lungs had collapsed and her kidneys had stopped functioning. The girl was rushed by a life flight helicopter to a medical center in Las Vegas, Nevada that had the doctors and medical equipment to save her life. This was done because the closest IHS hospital would not accept her because they didn't have the necessary medical equipment for a head trauma patient. She was in a coma for 35 days. As of February 15, 1984, her medical bill was about $190,000.00. Fortunately the Tribe was able to get her onto Medicaid but this has now presented another problem. Her doctor states she needs 60 days of rehabilitation therapy or she will be in a rest home the rest of her life. Medicaid will only pay for 16 days. As of now no rehabilitation therapy institution will give her treatment because of the lack of funding and the Tribe does not have the $25,000.00 needed to pay the treatment.

2. An eight year old girl needed an ear operation to repair her damaged ear drums so she could hear again. The condition was found by a doctor on September 16, 1982 but the cost of the operation was about $15,000.00, which the tribe did not have. The operation was finally done on August 18, 1983 after almost a year of searching for the needed funds.

3. Another good example was the boy who was born with his skull solidified which required an operation to open it allowing his brain room to grow and an operation to graft a bone into the opening a few years later. The second operation cost about $20,000.00, again more money then the Tribe could spend. The operation had to be done right away (when a doner was found for the bone graft) but it took almost a year and a half to pay for it.

4. The last example and perhaps one of the most critical is alcoholism. Here is how the cycle of alcoholism manifests itself within the Indian community:

A ten (10) year old boy is given alcohol at a party by older individuals. Once he becomes drunk he is encouraged by the older people to continue the drinking.

An eighteen (18) year old by who has not been in school for several years due to his excessive drinking has also developed a psychotic condition. After being on a prolonged drinking bout he got extremely depressed and shot himself in the head ending the life he could no longer cope with.

A thirty five (35) year old female lapsed into an alcohol coma and died the next day because her vital body organs had been destroyed by twenty years of uncontrolled drinking. She had stated two years earlier that she wanted to die because she was tired of the poverty and despair in which she lived.

An estimate of the amount of health care funds spent yearly on alcohol related accidents or health problems is about 60 percent of the total for the fiscal year. But there are no funds available from IHS to do any alcoholism counseling. Therefore, there is no change to break the alcohol cycle that consumes such a vast amount of the available health resources.

Demographic and Health Data

A. Indian infacts die at rate almost two and one-half times higher than whites.

B. The median age of death for Indians from 1968 to 1975 was 35.1 years (for non-Indians it was 70.1 years).

C. 45% of the Paiute Tribe are below the age of eighteen years.

D. 95% of the deaths of Tribal members in the last three years relate to alcoholism.

E. The Tribal Health Department estimates its unmet health care needs at 68% (based on FY-84 Equity Health Care Funds allocated to the Tribe).

The Paiute Indian Tribe of Utah would like to request an additional reoccurring health care appropriation of $250,000.00. This additional funding can be in the form of Contract Health Care services or added to the Paiute Indian Tribe's current Equity Health Care Funds.

STATEMENT OF THE MONTANA UNITED INDIAN HEALTH ASSOCIATION

The Montana United Indian Health Association (MUIHA) is a State-wide non-profit health organization with the primary purpose of insuring quality health care is available to off-reservation American Indians. MUIHA has a membership of seven (7) American Indian non-profit organizations that have health programs funded under P.L. 94-437, Indian Health Care Improvement Act, Title V, Urban Indian Health. These health programs provide and make health services accessible to approximately 18,000 American Indians in the State of Montana who live outside the service area of Montana's Indian reservations.

The Montana United Indian Health Association (MUIHA) at their regular Board of Directors meeting held on February 16, 1984 at Great Falls, Montana passed the following recommendations and took the following positions.

1. MUIHA urges your support on S. 2166 for reauthorization of the Indian Health Care Improvement Act, P.L. 94-437, amended by P.L. 96-537 for a four year period with continued funding for Title V, Urban Indian Health. It is the position of MUIHA, in order to continue to improve the health status of the American Indian to that of the rest of the United States, the Indian Health Care Improvement Act must be reauthorized with continued funding.

2. MUIHA recommends and urges your support for a funding level of 12.5 million for Title V, Urban Indian Health for FY 85. It is the position of MUIHA, that it is crucial funding for Title V, Urban Indian Health be maintained, so that health care needs of Indian people in the off-reservation areas are addressed.

3. MUIHA recommends a change of the definition urban and rural Indian to off-reservation Indian. The definition of off-reservation Indian would be that of: Indians residing not on or near reservation service area(s). This would apply to the Indian Health Care Improvement Act, Title V.

4. MUIHA urges your support to get the Indian Health Service to release the funding increase to the Urban Indian Health Programs immediately. At present, Urban Indian Health Programs are being funded at FY 82 level of 8 million, however for FY 84 9 million was appropriated for Urban Indian Health and the increase of 12% have not been received.

Thank you for your time and consideration of the MUIHA recommendations and positions on P.L. 94-437, Indian Health Care Improvement Act, Title V, Urban Indian Health.

Questions re the above information may be directed to:

Kenny Nicholson, Health Director
Indian Health Board of Billings, Inc.
P.O. Box 203, 105 North 25th Street
Billings, Montana 59101
(406) 657-6056
Montana United Indian Health Association, Chairperson

MEMBERS OF MONTANA UNITED INDIAN HEALTH ASSOCIATION

Anaconda Indian Alliance
P.O. Box # 1108
Anaconda, Montana 59711

Indian Health Board of Billings, Inc.
P.O. Box # 853
Billings, Montana 59103

North American Indian Alliance
P.O. Box # 285
Butte, Montana 59701

Native American Center
P.O. Box # 2612
Great Falls, Montana 59403

Helena Indian Alliance
436 North Jackson
Helena, Montana 59601

Indian Development and Educational Alliance
P.O. Box # 726
Miles City, Montana 59301

Native American Services
503 Toole Avenue
Missoula, Montana 59801

STATEMENT OF BERT G. STEEVES, EXECUTIVE DIRECTOR, WICHITA URBAN INDIAN HEALTH CENTERS, INC., WICHITA, KANS.

Mr. Chairman, Committee Members, the Wichita Urban Indian Health Center, Inc. appreciates this opport~~unity to~~ appear before this distinguished Committee to substantiate the need, cost effectiveness, and the quality of unduplicated care, of the Governments investment to Urban Indian Health Care Title V P.L. 94-437 amended 96-537 and in support of Reauthorization of the Indian Health Care Improvement Act of 1976, Senate Bill 2166, November 1983, and in support of an appropriations level of twelve million dollars for FY-85 for Urban Indian Health Care Title V.

I would also like to express our organizations genuine appreciation of your on-going support which has been the key to the survival of urban Indian health clinics over the years.

Background

The Wichita Urban Indian Health Center, Inc. a private non-profit Indian Medical Corporation provides direct services in Medical, Dental, Mental Health, Outreach/Transportation and Food & Nutrition to over two thousand four hundred (2,400) American Indians in FY-83 representing segments of sixty-two (62) distinct and various tribes.

The National health needs for American Indians is indisputable. Indians health status continues to be far below the National level and far above the National averages of incidence rates for:

Heart disease, Diabetes, infant mortality, chronic infections, alcoholism and suicide. The averages for all of the above are 2-6 times higher than the National average documented by the U.S. Public Health Service, Indian Health Service. The average life span of an Indian male today is 57-59 years of age.

The 37 urban Indian clinics are impacting on these problems. Primary preventive care versus Emergency Room and Long Term Care. The 37 urban Indian clinics provided over 650,000 services in FY-83. Over one half, 53% of the American Indian population lives in the urban setting today.

*See attached Department of Commerce Report.

In 1976 when the law was passed Congress acknowledged that urban Indians were not receiving adequate or average health care due to Cultural and Economic barriers.

Alternative Care Theory

Today 1984 the Administration purports that non-reservation Indians will be eligible for health care under various alternative programs supported by Federal health block grants, and other State and local funding agencies.

This is not the case and totally ludicrous based on fact. The Block Grants aren't reaching everyone now in the States and in addition urban and rural Indian organizations are not eligible for Federal Funding under the Block Grant System. There is not a specific administrative policy that recognizes or addresses the critical health care needs of the off-reservation Indian population. It is unrealistic to expect that the already taxed "alternative state and local resources" will be able to meet the urban and rural off-reservation Indian health care needs.

A local survey of over 100 private physicians indicated that less than 50% were willing to accept Medicaid Recipients due to lack of adequate reimbursements and paper work. For those providers that did accept Medicaid often recipients were forced to be placed on a two to six week waiting list to be seen, due to patient overload and many providers with an unofficial priority for those with the ability to pay.

Local and County Governments, hospitals and private providers have endorsed and continue to support the urban Indian Health Clinics and have indicated they cannot supply the cost effective services that these urban Indian clinics can.

*See Hospital Letters of Support attached
*See Newspaper Editorials attached
*See Charts attached

In Wichita alone it would cost the taxpayer, Federal and State Governments and Hospitals over one (1) million dollars to pick up the 2,400 patients of the Wichita Urban Indian Health Center. We receive $234,000 from Indian Health Service annually for 5 direct service departments.

APPROPRIATIONS vs. HEALTH CARE COSTS & UNMET NEED

The appropriation level for urban Indian Health programs has not kept pace with the increase in health care cost. According to data available from the Health Care Financing Administration, National Health Expenditures have increased at an annual percentage rate of 12.8% since 1965. Since 1978, the annual increases have been as follows:

1978 -- 11.9%
1979 -- 13.5%
1980 -- 15.8%
1981 -- 15.1%
1982 -- 12.5%

If these actual increases had been reflected in the appropriation levels for urban Indian Health Programs, appropriation levels would have risen as follows:

APPROPRIATION LEVEL		INCREASE IN NATIONAL + HEALTH EXPENDITURES	ACTUAL APPROPRIATIONS	SHORTFALL
1978	$ 6,858,000			
1979	6,858,000	+ 11.9% = $ 7,674,102	7,270,000	404,102
1980	7,674,102	+ 13.5% = 8,710,106	8,000,000	710,106
1981	8,710,106	+ 15.8% = 10,086,302	8,900,000	1,186,302
1982	10,086,302	+ 15.1% = 11,609,334	8,160,000	3,449,334
1983	11,609,334	+ 12.5% = 13,060,501	6,000,000	7,060,501
1984	13,060,501	+ 12.8% = 14,732,245 (est.)	9,000,000	5,732,245

As a result of this shortfall in appropriations over the last six years, the urban Indian health programs have actually incurred a total loss in buying power of $18.5 million. It is not surprising when we review these statistics that the health status of American Indian people falls significantly below that of the general population.

Using the average annual increase of 12.8% in health expenditures, the 1985 appropriation level should be $16,617,972.

Our Request

The Wichita Urban Indian Health Center, Inc. respectfully urges the Reauthorization of the Indian Health Care Improvement Act Senate Bill 2166 for a four year period 1985-1988 based on the facts and their substantiation therein provided in this testimony and supported by the attached evidence including hospital letters of support.

We are requesting 12 million dollars for FY-85 based on fiscal constraint.

*See attached Charts according to the Health Care Financing Administration.

Please approve the Authorization levels for Title V Health Services for urban Indians as follows:

1985	$30,552,000
1986	$32,703,000
1987	$34,996,000
1988	$37,435,000

In addition I am also urging the following:

1) Your support of the upgrading of the Director of Indian Health Service to Assistant Secretary of Health & Human Services for Indian Health. This request is based on the need for internal Organizational Structure in the best interest of maximum decision making and utilization of Federal Dollars.

2) The language in the bill to include a Standardized Reporting System in order to maximize the National level of accountability with raw data. Over one half of the current thirty-seven (37) urban Indian Clinics are currently participating in a Standardized Reporting System.

3) The development of New Program Starts based on need in Section 504 of the bill.

Conclusion

As you are aware Title V urban Indian Health funds are a specific line item in the budget. These monies do not decrease the overall Indian Health Service budget and we are talking about, currently, 9 million dollars for 37 urban Indian clinics servicing, again, over 650,000 American Indian patients in FY-83.

In reality and proven there is not another alternative Resource that can provide the cost effectiveness or quality of care that the urban Indian Clinics can, substantiated.

Thank you for the privilege of addressing this Committee. I am available as a resource to you at any time.

SUPPORTING EVIDENCE

ATTACHMENTS

Reauthorization:

1. Department of Commerce Report
2. Hospital letters of Support
3. Newspaper Editorial (2)

Appropriations:

1. Chart - Aggregate National Health Expenditures
2. Chart - Appropriation levels for Urban and Rural Indian Health Service Centers

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STATEMENT OF DAVID J. MATHESON, CHAIRMAN, COEUR D'ALENE TRIBAL COUNCIL, PLUMMER, IDAHO

The Coeur d'Alene Tribe is eternally grateful for the continued support you have shown and provided. Even though we are without a doubt on the proper development course, we still require basic areas of foundation and infrastructure be put in place.

The area of health and medical services represents one of the largest gaps in our capability to progress and develop. There is no way private sector industries would ever consider locating in an area like ours with the nearest medical facilities being 30 to 50 miles away. Further, the Coeur d'Alene Indian people have been forced to live with this condition much too long.

The enclosed proposal calls for the construction and development of a full service medical/dental clinic to be located in Plummer, Idaho. This clinic will have the capability to serve, charge and collect on individual accounts and bill third parties for all citizens alike in our area. This project has received enthusiastic support from our neighboring local jurisdictions (letters of support attached).

The Coeur d'Alene Tribe respectfully requests your support and efforts to bring this project to a successful reality in our near future. Thank you very much.

March 7, 1984

Everett Rhoads, M.D.
Director, Indian Health Service
Room 5A-55 Parklawn Building
5600 Fishers Lane
Rockville, Maryland 20857

Dear Dr. Rhoads:

Please find enclosed our proposal for the development of a full medical-dental clinic to be located in Plummer, Idaho. Also please accept the accompanying Coeur d'Alene Resolution #90 requesting Indian Health Service support, designations, and planning technical assistance to formulate facility and service requirements.

The health service neglect of the Coeur d'Alene Tribe and Reservation is well known. Therefore, with this proposal we respectfully request your support and assistance so that we will attain a better standard and quality of life for our reservation communities.

We are scheduled to be in your office on March 14, 1984, 1:30 p.m. Hopefully at that time we can go over the specifics of this proposal with you or your designated official. Thank you.

Sincerely,

David J. Matheson

David J. Matheson, Chairman
Coeur d'Alene Tribal Council

March 7, 1984

Stanley Stitt, M.D., Director
Portland Area Indian Health Service
Room 476, Federal Building
1220 S.W. 3rd Avenue
Portland, Oregon 97204

Dear Dr. Stitt:

Please find enclosed our proposal for the development of a full medical-dental clinic to be located in Plummer, Idaho. Also please accept the accompanying Coeur d'Alene Resolution #90 requesting Indian Health Service support, designations, and planning technical assistance to formulate facility and service requirements.

The health services neglect of the Coeur d'Alene Tribe and Reservation is well known. Therefore, with this proposal we respectfully request your support and assistance so that we will attain a better standard and quality of life for our reservation communities. Thank you.

Sincerely,

David J. Matheson, Chairman
Coeur d'Alene Tribal Council

March 7, 1984

Donald Bruce, Director
Lapwai Service Unit
Indian Health Service
Lapwai, ID 83540

Dear Mr. Bruce:

Please find enclosed our proposal for the development of a full medical-dental clinic to be located in Plummer, Idaho. Also please accept the accompanying Coeur d'Alene Resolution #90 requesting Indian Health Service support, designations, and planning technical assistance to formulate facility and service requirements.

The health services neglect of the Coeur d'Alene Tribe and Reservation is well known. Therefore, with this proposal we respectfully request your support and assistance so that we will attain a better standard and quality of life for our reservation communities. Thank you.

Sincerely,

David J. Matheson, Chairman
Coeur d'Alene Tribal Council

PROPOSAL FOR SERVICE DELIVERY
OF
HEALTH CARE FOR COEUR D'ALENE INDIAN RESERVATION

OBJECTIVE

Provide for the basic and immediate human health care needs of the people of the Coeur d'Alene Indian Reservation by establishing a modern, full service, and cost effective health facility.

NEED

According to the 1980 census, there is a total of approximately 5,000 people living on the Coeur d'Alene Reservation. The nearest commercial medical services are in Spokane, Washington, Coeur d'Alene, Idaho, and St. Maries, Idaho, ranging from 30 to 50 miles away. The Coeur d'Alene Reservation is a part of and included in the Indian Health Service Northern Idaho Service Unit located in Lapwai, Idaho, which is about a 2 hour trip one way from the Coeur d'Alene reservation. It is rare to never that Coeur d'Alene residents ever utilize or directly benefit from this Service Unit. With limited financial resources and personal transportation due to high unemployment, this leaves Coeur d'Alene Indians without basic health care altogether, except for the services of one nurse practioner operating out of a somewhat converted tribal house built in 1930.

What does this mean to Coeur d'Alene Indians?

- illness, injuries, and ailments go untreated
- shut-in elderly or handicapped go without essential medication or treatments
- what would ordinarily require hospitalization goes unnoticed
- children grow up without ever having seen a doctor or receiving a real physical examination
- prenatal care is unheard of except for the outreach program to assist in educating expectant mothers
- emergency care is non-existent; auto accidents, accidents in the home or on-the-job are at the mercy of perhaps a 1 hour ambulance response time and 1 to 1½ hours drive time to Spokane
- incorrect diagnosis is common place because a nurse practioner is forced to treat acute illnesses and medical emergencies. (a 2 year old boy died last year of internal bleeding at the make shift clinic during his third visit there in 2 days. Frantic parents pleaded for help but each time they were assured he only had a simple ear infection and sent home.)
- children still grow up enduring what anywhere else would be intolerable dental health

Pain and needless suffering is the result. Several years previous, an auto accident victim laid in the semi-frozen mud alongside U.S. 95 for 1½ hours with a variety of compound fractures, severe facial and body lacerations, a collapsed lung, and, of course, in shock. Near death for several days, the individual required massive reconstructive surgery and remained in intensive care for 2 weeks.

Obviously, a lack of proper health service of this magnitude must have a very profound affect on the standard of living, education of the young, and general outlook on life. Absenteeism both of the work place and at the local schools is a result. (The Coeur d'Alene Tribe has a documented unemployment rate of 71%. Of 15 Indian students entering the local high school 5 years ago, only 2 graduated last June.) There is only one way to benefit from or enjoy all other aspects of life, such as a job, family, home, etc: only through good health.

SOLUTION

The Coeur d'Alene Tribe proposes a full service medical-dental facility be constructed and located in Plummer, Idaho, which is at the center of the Coeur d'Alene Indian Reservation. Further, this clinic facility must have the capability to serve all the people of the Coeur d'Alene Reservation and adjacent communities, Indian and Whites alike, with authorization to charge for services as appropriate and to bill third parties such as insurance companies.

All the people of all races who live here among us have the idential situation. This proposed facility would not only provide the much needed service but the facility would become self-sustaining in a very short period of time. The local neighboring jurisdictions and the farm community have expressed phenomenal support for this project.

This proposed medical-dental clinic must have the capability to provide a wide range of services. There exists an enormous number of people who require weekly, and in some cases daily, medical treatments, i.e., heart patients, kidney ailments, etc. Also, the ability to be involved in medical emergencies must be addressed; otherwise people will still suffer the 1 hour long ambulance response time and 1½ hours drive time. The people of the Coeur d'Alene have no alternative facility to utilize, like many other reservations who enjoy full clinics and perhaps County Hospitals within 10-20 minutes.

BENEFITS

Obviously, the benefits of good health speak for itself and address both the tangible and intangible:

1. Illness, injuries, and ailments will receive prompt attention and treatment.
2. Shut-in, elderly, and handicapped will receive essential medication and treatments.
3. Accelerated diagnosis capabilities will insure proper and timely referrals for special care or hospitalization.
4. Early detection and treatment of disorders will be possible, especially for children who may have never seen a doctor. Regular physical examinations will be possible.
5. Proper prenatal care will enable improved health and quality of life for both mothers and newborn.
6. Emergency care capabilities will insure rapid response time to accident victims and provide a limited service of treatment for minor injuries.
7. Through a qualified staff of professional physicians, correct diagnosis will be more commonplace insuring appropriate treatment.
8. Dental hygiene and care will be more in line with national averages, especially important for the children whose whole futures are spent living with the dental care they received or were denied as children.

The intangible benefits of improved and proper health services are too numerous and diverse to list. Suffice it to say the standard and quality of life would be greatly enhanced affecting childrens' performance at school, adults at the work place, family life in general, and the overall outlook of the reservation communities.

SELF-SUFFICIENT CLINIC

The Coeur d'Alene Tribe's proposed clinic is to include the delivery of health services to all residents of the Coeur d'Alene Reservation and neighboring communities, Indian and non-Indian alike. Further, the capability to bill individuals and third parties will make the Coeur d'Alene Clinic the only self-sufficient Indian clinic in the entire United States. Self-sufficiency should be attained rapidly.

It is, and has long been, the priority goal of the Coeur d'Alene Tribe to achieve overall economic self-sufficiency throughout all operations of the Tribal government. This goal includes the field of health services. However, to proceed one step at a time, first the clinic must be built and staffed. The Coeur d'Alene Tribe will donate tribal lands inside the City of Plummer. The City of Plummer will provide hook up to sewer and water. The will of our local people and the spirit of man will do the rest.

TIME FRAME

October 1, 1984	Notice of Award
November 1, 1984	Finalize plans
December 15, 1984	Put out to bid
January 15, 1985	Award bid
March 1, 1985	Begin construction
June 15, 1985	Finalize and inspections
July-August	Open clinic, full staff

STATEMENT OF PETERSON ZAH, CHAIRMAN, NAVAJO TRIBAL COUNCIL

Mr. Chairman, members of the Committee, I am Peterson Zah, Chairman of the Navajo Tribal Council. I appreciate the opportunity to present to you the concerns of the Navajo Tribe regarding the FY 85 budget proposed by President Reagan for the Indian Health Service.

The Navajo Tribe will not negotiate or barter the health status of the Navajo People. For your part, you must do with the proposed appropriation request what is legally and morally right - if the budget is found wanting in terms of the promise of health parity for Indian people stipulated in P.L. 94-437, the Indian Health Care Improvement Act, then you must reject -- as we have done -- the request as unacceptable.

Under my administration, we have embarked on a new path of partnership with the Navajo Area Indian Health Service (NAIHS). We respect and admire both the Navajo and non-Indian health professionals who serve our people with commitment and dedication. Area leadership and the entire health care delivery system has been strengthened by the close working relations between IHS, the Navajo Division of Health Improvement Services, the Health and Human Services Committee of the Navajo Tribal Council, and the Navajo Area Indian Health Board.

Together, NAIHS and the Navajo Tribe have identified the following priority needs which should be addressed in FY 85.

1. Dilapidated health care facilities require renovation in order to meet health care standards and licensure requirements. The projected cost for health care facilities renovation on the Navajo Reservation is $24 million.

2. All temporary staff quarters should be replaced, and new quarters are required to meet staffing needs. A total of 332 units of staff housing are required. The projected cost for new staff housing is $21.6 million.

3. According to the IHS Resource Requirement Methodology, Navajo Area is 1,342 positions below optimum staffing levels. This does not include additional positions to absorb the loss of National Health Service Corps staff from reservation community clinics. 248 positions are needed to bring NAIHS back up to even FY 80 staffing levels. The projected cost for restaffing is $10 million.

4. IHS clinics which have been closed or which have been forced into drastically reduced service levels should be reopened and restaffed.

The projected cost for restoring these clinics to full operation is $1.6 million.

5. $3.6 million is urgently needed to modernize and upgrade existing IHS equipment used in IHS hospitals and clinics.

6. Emergency medical services needs, including vehicle replacement, maintenance and equipment costs, must be met to maintain emergency health care delivery standards. The Navajo Tribe estimates that $1.8 million is needed for these purposes in FY 85.

7. In FY 83 there was a serious backlog of water and sewer projects under NAIHS Environmental Health. At the current funding rate, it will take ten years to complete this work. It should be done now. $130 million is needed to remove the backlog and provide adequate water and sanitation services for the Navajo People in FY 85.

What the Navajo Tribe finds distressing, and I hope you do as well, is that we do not know whether the proposed IHS FY 85 budget appropriation is sufficient to meet these needs. The reason for this is that Indian Health Service headquarters has not had and still does not have a rational plan for the distribution of resources. As you may know, Navajo Area continues to contribute 25% of the total IHS clinical workload and continues to receive only 13% of the IHS annual appropriation. Navajo is the largest tribe in the United States with 160,000 members. Yet we receive only 9% of IHS alcohol program dollars. We have asked for at least two years for an explanation of how IHS alcohol program funds are allocated. None has been forthcoming. The lack of a fair plan for distribution of funds appropriated to IHS poses a serious threat to the health and well being of the Navajo people. We ask that you investigate this matter and require the IHS to fairly distribute its appropriated funds.

Unquestionably, we oppose certain specific FY 1985 proposed budget items, particularly the elimination of facility construction funds, the elimination of Community Health Representative Program funding, and the elimination of tribal management development funds. Health facilities are critical because of the isolated, rural Navajo life-way.

We have learned unofficially from IHS that the system by which proposed new construction and existing facility renovation projects are ranked for priority attention by IHS has only last week been revised to include two additional Navajo Area construction projects. The major facility renovation at Shiprock, New Mexico, has been ranked second on the national priority list, at an estimated cost of approximately $15.3 million. Ranked fourth on the national list by IHS is the replacement of the existing facility at Fort Defiance, Arizona, estimated to cost approximately $13.5 million. We are gratified that IHS appears to be responding to some of our health facilities needs. However, much more must be done. Furthermore, the $9.1 million second-phase of construction at the Crownpoint Hospital must be funded.

As stated earlier these facilities are sorely needed by the Navajo people. There are no alternatives to the care that is provided by IHS in these locations. Your support on our behalf is imperative, and I respectfully request your assistance in this urgent matter.
Also, IHS and Indian people are now designing an evaluation tool which will document what we Navajos already know: the home health function of the Community Health Representative Program works and the Navajo people are healthier today because we have these well-trained, dedicated Navajos working among the People.

Finally, the elimination of tribal health management development funds from the FY 85 budget request strikes a blow at the very heart of Indian self-determination as promised in both P.L. 93-638 and P.L. 94-437. But P.L. 94-437 has provided only a portion of the needed funding for health programs which tribes might want to contract for under P.L. 93-638, and the latter continues to carry with it overly-restrictive requirements. Thus, we have chosen to continue to utilize tribal health management development funds for the development of administrative and managerial capability independent of the issue of contracting for IHS direct care functions. We believe the liability for badly-funded IHS "638" contracts should remain with the Federal government. We prefer to look instead for other creative, innovative alternatives, such as contract health care agreements with IHS for the provision of clinical services in community facilities.

Conclusion

In closing, let me say that I believe it is vitally important that we pursue self-sufficiency for the Navajo Nation. But not at the cost of diminishing the trust responsibility of the Federal government. We have valuable land, valuable resources, a valuable tax base; our dollars continue to support the businesses in off-Reservation bordertowns. Even now we contribute over $3 million of Tribal general revenues toward our own health care. But the Reagan Administration does not understand the trust relationship and continues to instruct its people in the Department of Health and Human Services, the Public Health Service, and even in the Indian Health Services that health budgets are to be cut, health facilities and positions are to be reduced, health services are to be curtailed. The president has said he wishes to support tribal self-government as the goal of Indian self-determination, yet he deprives us of the resources needed to accomplish this end.

I ask for your understanding and your assistance. Be true to your ancestors as we are to ours. By combining Western medicine and traditional Navajo healing in a strong community organization, our efforts are sure to result in improved health for ourselves and our children. This is how Navajos have survived. It is our strength against all adversity. I believe unequivocally that the Navajo way is indestructable. We will overcome. We will endure. And we will make the future a better place for our children to live.

STATEMENT OF THE BOIS FORTE RESERVATION BUSINESS COMMITTEE, NETT LAKE, MINN.

The Bois Forte Reservation Business Committee, Nett Lake, Minnesota respectfully requests your consideration of the enclosed testimony for a special appropriation of $500,000.00 for construction of a health facility to be a rider to P.L. 94-437, Indian Health Care Improvement Act of 1976.

We wholeheartedly support your Indian brothers in their efforts to support the act as written. However, the priority system established to select construction of health facilities would unfairly exclude the Bois Forte Reservation. The enclosed testimony addresses itself to our need for a new health facility.

Consider for a moment that you are a senior citizen and you are having chest pains and difficulty breathing. Consider that the nearest hospital is over an hour drive by automobile, you don't own a car, you're alone, your community doesn't have bus transportation, or ambulance service, you don't have a telephone, and neither do your neighbors. Or perhaps you are a young mother with a baby lapsing into a coma with a high fever, and the transportation problems are the same as described above. These are examples of emergency situations which happen all too frequently on the Bois Forte Reservation in Northern Minnesota.

We are absolutely positive you would not want your families or people you care for in these dangerous situations. We don't want this for our people. We are confident that you (the Congressmen of these United States) do no want this for your loyal constituents, the Bois Forte Band of Chippewa Indians. We have a plan to resolve the health care for our remote reservation which includes the construction of a new health facility. We can't hear the bureaucrat that tells us we are not on the top of the priority list,and we won't be considered for construction funds of health facilities. Our people that have lost fathers, mothers, children or infants because of our inadequate local medical facilities can't hear the hollow bureaucratic denial.

We therefore, request a special appropriation from the Congress of the United States in the amount of $500,000.00 for the construction of a new health facility on the Bois Forte Reservation located in Northern Minnesota.

The project is a new health facility for the Bois Forte Band of Chippewa Indians. The remoteness of the Bois Forte Reservation makes comprehensive health care for Bois Forte residents extremely difficult. The nearest hospital is an hour drive by automobile. This project is the attempt by reservation leadership to provide the same health care that the non-Indian population of Northern Minnesota, and other Indian tribes in Minnesota have access to. The Bois Forte people have for too long been left to fend for themselves in emergency and critical health situations. Many deaths and serious after effects of illnesses and accidents could have been prevented if we had the availability of comprehensive medical service.

Presently the health offices are dispersed throughout the village, in a manner which lacks continuity and coordination. The plan, basically, is to house all health division offices and facilities in one building and/or area for ease of accessability to Bois Forte residents. This is particularly important since most health care users do not own automobiles and do not have the means to move about the village from health office to health office to have their needs attended to. Most of these people must also rely on others for transportation needs. With one health station many of these transportation problems will be alleviated. There are instances when people will go without health services because of transportation problems from one health facility to the next.

The project also plans for an ambulance and health vehicle garage. Presently an ambulance call results in a two hour span of time before the victim reaches the hospital. With our ambulance program in force this critical time can be cut in half. The ambulance garage would allow for safe housing of this vehicle, therefore, the implementation of our ambulance program could be a reality.

Other health service vehicles are critical also since previously mentioned, a large percentage of Bois Forte residents do not have cars. Because of severe winters in Northern Minnesota housing for these vehicles is very important.

The Chemical Dependency program of our health Division is housed in a one room building without bathroom facilities. This facility is not conducive to private counseling needed or required group activities. The building is of such a condition that participants of the program are reluctant to utilize services. Alcoholism is our number one health problem. Our Chemical Dependency Program Coordinator has documented that over nine out of every ten deaths on the Bois Forte Reservation are alcohol related. We must have a facility conducive to chemical dependency treatment.

The Bois Forte Mental Health Program does not have office space at all suitable to carry on the necessary functions of mental health counseling. A Mental Health Social Worker and Mental Health Outreach Worker share a office separated only by partitions from other health workers. Hardly conducive to privacy and confidentiality. If Bois Forte is to succeed with this component we must have private counseling rooms.

The Medical Clinic presently houses a staff of Physician, a Physician Assistant, a Nurse, a Receptionist, and a Contract Health Clerk in a 200 square foot area. This area includes a waiting room, a reception area, an office, 2 exam rooms, a storage room, and a lavatory. The needs here are obvious.

At present we have an Agreement with Cook Area Health Services to provide Physician Services two half days per week. This is highly inadequate for the 1602 Bois Forte Band members in our service area. Plans are to employ a full-time Physician for Bois Forte. But our meager medical clinic is quite unattractive to those Physicians that have thus far indicated an interest. The proposed project has a medical clinic six times larger than our current clinic and would be of great value in our recruitment efforts for a full-time Physician.

The present health facilities on the Bois Forte Reservation are totally inadequate, unsafe, unsanitary, compact and dispersed. These problems have been in existence for decades and reservation management is slowly resolving the inadequacies. However, the rapid progress in the area of health delivery of the communities in our area, the rapid progress of health delivery in american society creates a no win situation for the Bois Forte Health Services.

Considering the afore mentioned comparison the Bois Forte Health delivery system is in fact slipping backward. The proposed new health facility would provide Bois Forte with the necessary start to develop our health delivery capabilities to that of comparable rural communities.

Renovation of existing facilities has been attempted but this does appear rather futile since buildings being renovated are old and dilapidated. Reservation funds being utilized for this renovation are wasted since we can't keep up with the deterioration of existing buildings.

Objectives:

1. The primary objective of the project is to develop a comprehensive health delivery system to the people of Bois Forte Reservation.

2. To prevent unnecessary deaths by providing readily available medical services.

3. To develop a new health facility for the community thus enhancing their usage of the health programs. A feeling of pride will be generated by this new facility which will be beneficial to the over-all well being of the Bois Forte Reservation.

4. To develop a modern medical clinic for the persons of Bois Forte which is comparable to that in non-Indian communities.

5. To develop a modern dental clinic for the persons of Bois Forte which is comparable to that in non-Indian communities.

6. To develop private and confidential office areas, which are conducive to health delivery and social services.

7. To develop a system whereby the health delivery programs can have readily available transportation in health and emergency situations during our severe winters.

The proposed facility is the major priority of the Reservation Business Committee for the general development of the reservation. The tribal leadership realizes the pride that will be generated from this new health facility and that it will result in over-all pride in the reservation community. This proposed project is the initial step in development of the comprehensive community health facility. Long range plans call for an Elderly Housing Facility, a Senior Citizen Center, a Detoxification and Halfway House, a Nursing Home, and Community Center. The proposed health facility is the seed from which this will grow. Of all reservations in Minnesota, the Bois Forte Reservation lacks more in the area of health facilities than all of them. No other reservation is as remote or as far away from comprehensive health facilities as is Bois Forte. The nearest hospital is a hour drive. An ambulance call results in at least a two hour period of time before the victim reaches the hospital, dental emergencies have an hours drive to be treated. The list of problems relating to health care caused by our remoteness can go on and on. With a new health facility we will be able to address many of these problems, and we will accomplish our major objective of developing a health care delivery system comparable to that of area non-Indians.

LETTERS FROM DONALD STEWART, SR., CHAIRMAN, CROW TRIBE OF INDIANS

Honorable Senator McClure
Senate Appropriations Committee
Room 1208, Dirksen Building
Washington, D.C. 20510

26 March 1984

Dear Senator McClure,

On behalf of the Crow Tribe of Indians, I would like to have submitted as part of the official record, the enclosed testimony to the Senate Appropriation Subcommittee on Interior, Indian Health Service budget oversight hearings. The Crow Tribe of Indians is respectfully requesting that consideration be made on behalf of a "Replacement Hospital" at Crow Agency, Montana.

Thank you very much for your time and consideration in this important matter.

Donald A. Stewart Sr.
Donald Stewart Sr.
Chairman
Crow Tribe of Indians

March 22, 1984

Dr. Everett Rhoades
Health Resources Administration
Indian Health Service
Room 555
Rockville, Maryland 20857

Dear Dr. Rhoades:

I am taking this opportunity to express to Indian Health Service the long overdue need for a concerted effort by both the Federal government and the Crow Tribe of Indians to pool our resources for a replacement hospital at Crow Agency, Montana. As you are well aware, the present facility was built during the year of 1937 and is functionally inadequate to provide the level of health care enjoyed by the majority of citizens in the United States.

In order to coordinate our efforts to upgrade our hospital, I am enlisting the Crow Tribal Health Board and specifically Mr. Marshall LeftHand in concert with Mr. Wm. Patrick Doss as the lead contacts for this effort. In so doing, the Crow Tribe has developed a pictorial essay illustrating the present facility and the obvious deficiencies, we as Indian people have to live with. This essay will personally be delivered to you in the near future.

The above mentioned individuals and myself, will begin the educational process so needed, to demonstrate and convince the Senate and House of Representatives of the Congress of the United States the paramount need for a replacement hospital at Crow Agency.

I will not venture to describe in this letter the long list of statistics related to the immediate and unmet needs which justify our request for a replacement hospital at this time, for the testimony to Congress and related essay will serve that purpose. I will request, that Indian Health Service, fully aware of our intent to pursue this project, enjoin our effort by preparing the preliminary Program Information Document (PID) at the earliest possible date. In conjunction with this effort, the Crow Tribe will assist the Indian Health Service to the maximum extent possible.

In conclusion, I would state that the Crow Tribe has been successful utilizing P.L. 93-638, The Indian Self-Determination Act, in the planning and construction of the Lodge Grass Clinic which was dedicated in 1982, our efforts will be similiarly concentrated, to ensure that upon approval of funding for the replacement hospital we shall all enjoy a model health care facility we all can be proud of.

On behalf of all Indian people who rely upon the health care services provided by Indian Health Service.

Sincerely,

Donald Stewart, Sr., Chairman
Crow Tribe of Indians

Statement of Donald Stewart, Sr.

In the year of nineteen hundred and thirty-seven (1937), a hospital was constructed to serve the people of the Crow Tribe of Indians and the Northern Cheyenne. The facility at the time was adequate owing to the health care being provided during the thirties. It is now 1984, and the exact same facility, with the exception of partial remodeling and an addition to accomodate the pressure of increased utilization of the facility, is still in use. In the meantime, the technology and level of health care to the entire United States population has expanded and incorporated the modern health care technology of the twentieth century. At the same time the pressure on the hospital at Crow Agency, Montana, increases daily as the need for medical care continues to grow in proportion to an ever increasing Indian population.

In the year of nineteen hundred and seventy-eight (1978), Crow Agency was devastated by the worst flood in one hundred years. The hospital was in the flood plain of the Little Big Horn River and had to be evacuated. Because of the location, the option of major rennovation of the hospital is out of the question.

In January of 1984, the Service Unit Director of the Crow Agency hospital testified in a court of law on the condition of the current facility......"The hospital in Crow Agency is a very old and overcrowded facility, and in many respects obsolete. It is also in a flood plain." It is an understatement to say that in order for Indian Health Service to meet their objective of elevating the health care of American Indians to the highest level possible, that the effort is being severely compromised at Crow Agency.

The health care facility in question is located at Crow Agency, Montana, in Southeastern Montana, serving both the Crow and Northern Cheyenne. The hospital is a 34-bed unit providing services to a combined population of 11,274 people. Out-patient visitations for 1982 were numbered at 34,148 with 1,744 Inpatient admissions. The utilization rate at the hospital is extremely high, with physicians and nurses working between eighty and ninety hours each week resulting in over one hundred-fifty (150) out-patient visitations each day. Because of the antiquated facility, the ability of Indian Health Service to ensure continuity in patient health care is non-existent due to a high turnover rate of physicians and nurses. Working conditions are frustrated due to the overcrowding, outdated equipment and poor morale, both among the medical staff and the Indian patients.

The Crow Tribal Council is aware that consideration is being given by the Congress for the construction of new hospitals on Reservations that are most in need. In addition, Indian Health Service has indicated that Crow Agency is currently among the top five agencies in the country being considered as high priority for new construction. The Indian Health Service estimates that to provide a replacement hospital at Crow Agency, outside of the flood plain, would cost approximately twenty (20) million dollars, which would include $850,000 for planning and architectual drawings.

It is with this information in mind that the Crow Tribe of Indians, now respectfully request that the Congress of the United States of America consider fully the need for a replacement hospital based upon the realities of the day and age facing our people and further to provide the funding necessary to eleviate the burdens placed upon the medical staff and Indian patients directly resulting from this outdated facility.

On behalf of Donald Stewart Sr., Chairman of the Crow Tribe of Indians, and all Indian people, we would like to thank all of the members of Congress of the United States for their consideration in this endeavor and for their personnal committment to the health care needs of the American Indian.

STATEMENT OF PATRICK BACA, ADMINISTRATIVE MANAGER, PUEBLO OF SANDIA, BERNALILLO, N. MEX.

Mr. Chairman, we appreciate this opportunity to testify today. With me is my Governor Esquipula Chavez and my Lt. Governor Edward Paisano. We are here today to support the testimony of The Five Sandoval Indian Pueblos regarding the need to increase the P.L. 93-638 grants line-item for FY 1985 by the $3.0 million difference between the administration's request of

$16.819 million and the FY 1984 request of $19.375 which was subsequently reduced to $16.375 during Senate mark-up on the Interior Appropriations bill.

We also urge adoption of language instructing BIA to award P.L. 93-638 grants in strict accordance with both the level of enacted appropriations nationwide and the tribal priority system -- and in a way that does not impose the pre-1978 award year condition of "size" (i.e., tribal population) onto tribal requests for P.L. 93-638 grants. We further urge this Subcommittee to instruct BIA to adhere to individual tribal priorities -- as set through the Zero Based Budgeting procedure at the Agency level -- before awarding these grants strictly according to the established Federal budget process and as based solely upon the level of Congressionally enacted appropriations.

As the smallest of the Southern Pueblos Agency member tribes, we are keenly aware of the difficulty in establishing an Office of Inspector General approved indirect cost rate, and affixed as Attachment A to our statement is a 1982 letter from an accountant reflecting upon difficulties in implementing such a system, for Sandia Pueblo, especially so with sparse amounts of federal funds coming into our reservation at that time.

Two additional years of P.L. 93-638 grant funding have brought Sandia added staff and accompanying sophistication in using and accounting for federal funding as well as enabling us to successfully undertake several tribal business ventures. Our financial management system has also benefited by participation in the Five Sandoval Indian Pueblos' Small Tribes Management Initiative program. Therefore, our Tribal Council is now of the opinion that with continuation of our administrative and managerial related staff, at the fiscal year 1982 and fiscal year 1983 levels made possible by our P.L. 93-638 grant, that Sandia Pueblo can proceed prudently with the transition to a negotiated, approved indirect cost rate. However, as previously stated by the Five Sandoval Pueblos Governing Board Chairman, fiscal year 1985 is just not enough time to accomplish such a transition, especially if BIA is allowed to reduce by twenty-six percent our FY 1984 grant -- from which the internal staff necessary to work on this complex and lengthy proposed undertaking is presently funded.

It is much more realistic to think that Sandia Pueblo could work with the Bureau of Indian Affairs on setting up an approved indirect cost rate during fiscal year 1985, and then be able to make the transition into the proposed "new starts" contract support fund line-item category for fiscal year 1986. In any event, this step can not be taken with the burden of a twenty'six percent P.L. 93-638 grant reduction in either this fiscal year 1984 or next fiscal year.

We would like to note for the record of this hearing our recent correspondences exchanged with Albuquerque BIA concerning the dollar and percentage amount of cut Congress intended from the nationwide $3.0 million reduction in the P.L. 93-638 grant line-item. Our February 10 letter to the Albuquerque Contracting Officer is our attempt to finalize a FY 1984 award at the one percent less than FY 1983 grant level stated in the November 1983 letter from the Senate Interior Appropriations Subcommittee Chairman to the Pueblos. This reduction is the same figure given in Congressman Bill Richardson's recent correspondence to us. Therefore, we take it to mean that the letter received at Sandia on, February 16, from the Albuquerque Agency Superintendent represents the BIA's offer to award a FY 1984 P.L. 93-638 grant to Sandia Pueblo reduced by $46,200, from the actual FY 1983 award level.

Thank you for the additional time you have given us to make these supporting recommendations concerning the P.L. 93-638 grant program. We would be pleased to respond to any questions the Subcommittee might have regarding this testimony.

STATEMENT OF DARRELL "CHIP" WADENA, PRESIDENT, MINNESOTA CHIPPEWA TRIBE

Mr. Chairman and Members of the Committee, I am Darrell "Chip" Wadena, President, Minnesota Chippewa Tribe (consisting of the White Earth Band, Leech Lake Band, Mille Lacs Band, Bois Forte Band, Fond du Lac Band and Grand Portage Band), and, in addition, I serve as Chairman of the White Earth Band. We appreciate the opportunity to discuss tribal funding needs with the Committee. We have reviewed the FY 1985 budgets for the several agencies under the Committee's jurisdiction, and recommend the following:

Bureau of Indian Affairs (BIA)

- Budget Formulation - we continue to support the Tribe/Agency Operations, the process established under band analysis as an opportunity for the tribes to exercise meaningful influence in the BIA's budget formulation. Unfortunately, the timetable for the FY 1986 Formulation is behind schedule due to informal announcements emanating from the BIA the process will be changed for the FY 1986.

We recommend that the Committee query BIA officials on the contemplated changes to this process during their appearance before you to justify the FY 1985 budget. We recommend further that the Committee direct the BIA to place a moratorium on such changes until they can demonstrate to the Committee's satisfaction that any changes in the process will enhance tribal input in the BIA's budget formulation and will not erode such input.

Our efforts to strengthen tribal governments of the member bands of the Tribe have been hampered by the budget ceiling. For example, new programs authorized by statute (Indian Child Welfare Act) and favorable judicial decisions (court affirmation of treaty hunting and fishing rights) have imposed new responsibilities on our tribal governments with no concomitant increase in BIA funds. To meet such responsibilities, we have been forced to reorder priorities at the expense of education and housing.

For the record, I would like to include a copy of the White Earth 5-year natural resources plan.

The BIA reports the Tribe/Agency Operations have been increased by $4,000,000 in FY 1985 over FY 1984. This is an illusory increase when compared against the Tribe/Agency Operations' percentage of the BIA's total budget. In FY 1984 the Tribe/Agency Operations accounts for approximately 31% of the total budget, whereas in FY 1985, it will account for 30% of the total budget.

To alleviate this situation, we urge the Committee to increase the FY 1985 Tribe/Agency Operations by a factor of 10%.

- Contract Support Funds - the BIA's proposed solution to the Contract Support Fund/Indirect Rate issue contained in its FY 1985 budget submission will result in $400,000 in unrecovered costs to the Tribe. This is due to BIA's failure to resolve the theoretical "over-recovery" that continues to plague many tribal contractors.

We urge the Committee to reject the BIA's proposed solution and to extend the current method of computing indirect cost rates and to mandate the BIA to continue to explore solutions that will eliminate the "over-recovery" charged against tribal contractors in order to make them whole and on equal footing with the direct BIA operated programs.

We further urge the Committee to oppose any BIA proposal that would eliminate the autonomous Contract Support Fund by merging it with tribally contracted programs. Such a move, in our view, would prove disastrous for tribal contractors since it would give the BIA unlimited authority to require tribal contractors to charge more and more legitimate indirect costs to the contracted program.

- Housing Improvement Program - The Tribe continues to urge the Committee to authorize the distribution of FY 1985 HIP funds pursuant to the Tribe/Agency Operations rather than permitting such funds to be allocated to the Tribes by the BIA Central Office under a yet unknown formula. We take this position because of the inequitable distribution of HIP funds among the Minnesota tribes under the Jobs Bill.

The Tribe recommends that the FY 1985 HIP appropriation be increased to $30,000,000, the amount justified in the Jobs Bill, which is far below actual need.

- Road Construction - The Tribe vigorously opposes the BIA move to charge the entire program management ($4,000,000) against the allocations from the Highway Trust Fund. This is an illegitimate expense that should be borne by BIA rather than reducing road construction funds from the Highway Trust Fund.

It is our understanding that the Highway Trust Fund authorization expires at the end of FY 1985 unless it is reauthorized by the Congress. We ask the Committee to query BIA officials on the manner they propose to finance Indian road construction commencing in FY 1986.

- Building and Utilities - the BIA proposes to reduce this activity from the FY 1984 level by transferring $7,400,000 to the Office of Indian Programs for welfare grants and a further reduction of $2,280,000. We ask the Committee to reject such reductions and to maintain this appropriation at the FY 1984 level of $50,220,000.

- Automatic Data Processing - We support your efforts to require the BIA to develop a true ADP user charge that is targeted to actual users by program. We urge you to reject any BIA reprogramming proposal that would ratify a charge-back system not based on actual use.

- Minnesota Chippewa Tribe Add-ons:

$900,000 for hunting and fishing activities, to support conservation management, enforcement and tribal courts.

$400,000 to replace a like amount expended by the Tribe in the management of BIA programs under contract by the Tribe.

Indian Health Service (IHS)

- The IHS has submitted a budget for FY 1985 in the amount of $809,000,000 representing an increase of $27,000,000, or 4%, above FY 1984 to provide for the increased cost of clinical services.

This increase appears to be modest in face of the high cost of health and medical services and the heavy volume of unmet health needs of the Indian beneficiaries of this vital service. The Tribe, therefore, requests the Committee to examine this matter in depth with IHS officials during their appearance to ascertain the true costs for inflation and a more adequate estimate for the overall budget to insure there will be no diminution in the quantity and quality of health services for Indian people.

Based on the Committee's findings, the Tribe further requests that the IHS budget be substantially increased for FY 1985.

- Community Health Representatives - The IHS once again has failed to request funds to support this important Indian-staffed service that serves as a key link between the Indian community and the professional health personnel in the IHS.

The Tribe recommends that this program be funded at $26,000,000, for FY 1985, the identical level approved by Congress for FY 1984. We make this recommendation with the reservation that, following Congressional approval for legislation to reauthorize the Indian Health Care Improvement Act (P.L. 94-437), the Committee provide supplemental funds for this program if the reauthorization calls for increased funding for this program.

- Sanitation Facilities Construction - Here too the IHS has failed to request funding to support sanitation facilities for new and existing Indian homes in FY 1985. To alleviate this gross oversight, the Tribe recommends that the Committee add $39,000,000 to the IHS budget for this service, this amount is identical to that authorized by Congress in the Jobs Bill. We further recommend that the add-on be broken down as follows: (1) $15,000,000 for new homes; and (2) $24,000,000 for existing homes.

We note further that the general Sanitation program has been reduced by $2,500,000 and ask that the Committee restore these funds to insure continuity of service to Indian people.

Mr. Chairman, your Committee has consistently provided adequate funding for those programs that insure an improved quality of life for Indian people; that support fulfillment of the United States' legal trust responsibilities owing to Indians; and that advance and give meaning to the concept of Indian self-determination. The Minnesota Chippewa Tribe appreciates this record and asks that you and the members of the Committee examine the Indian budgets within this same context as you establish funding levels for FY 1985.

We appreciate the opportunity to submit our views on the budgets that are vital to the social and economic well-being of our people.

STATEMENT OF THE PAPAGO TRIBE OF ARIZONA

Mr. Chairman, the first priority of the Papago Tribe is health and the second is education, and third is economic development.

The Tribe has further refined areas of concern within each of its 1985 fiscal year priorities:

INDIAN HEALTH SERVICE

(1) An increase of $30,000,000 to maintain services at current levels, after giving effect to increased pay costs and other built-in cost increases;

(2) $27,000,000 of this amount to continue the Community Health Representative Program, including an increase of $250,000 for the Papago program to replace 20 worn-out vehicles;

(3) An increase of $172,620 for Papago Mental Health Services;

(4) $1,216,250 for construction of a Papago Nursing Home facility and $835,553 for annual operating costs.

BUREAU OF INDIAN AFFAIRS

(5) $10,000,000 to construct the Bihinol Du'ag High School;

(6) $1,800,000 to continue the Early Childhood Education Program, including an increase of $200,000 for the Papago program; and

(7) $291,913 to continue the operation of the Papago Skills Center, if funding from the Department of Education is not available for this purpose.

We also ask that the Committee Report include language to:

(1) Continue its prohibition on the allocation of ADP costs to the Tribe/Agency level, until such time as the BIA has instituted a cost-effective system and an appropriate method of assigning user charges;

(2) Direct the BIA to defer any plans to change its treatment of indirect costs associated with the operation of 638 contracts, until it has developed a workable alternative; and

(3) Direct the IHS to make services available to individuals based solely on membership in a recognized Indian tribe rather than on blood-quantum

COMMUNITY HEALTH REPRSENTATIVE PROGRAM

The Papago Community Health Representative (CHR) program helps to promote the concept of preventive health care, a much needed practice in an area where great distance is one of the many barriers to adequate health care. CHRs also provide services in areas including mental health, elderly care, nutrition, alcoholism, environmental health and disease control. In most cases CHRs, because they work in the scattered reservation communities, are the first health care representatives on the scene of accidents, and are the first line of health defense that community members recognize. The tribe and the reservation's residents see CHR workers as the primary health care providers on the reservation.

PAPAGO PSYCHOLOGICAL SERVICE

Presently, there are no adequate facilities on the Papago Reservation to hospitalize or detain patients who either are displaying severe, acute psychotic behavior or are not psychotic, but are desparately in need of a protective therapuetic environment that allows the other helping agencies to become involved and provide transition and disposition.

The Papago Tribe proposes a $126,620 annual budget for a free-standing facility. The budget would be used for the renovation, rental, and operation of an existing building. It would also defray personnel costs and other related expenses.

The Sells PHS/IHS hospital receives contract health care funds to purchase services in Tucson and Phoenix that are not locally available. Historically, the hospital exhausts its allocation before the end of the fiscal year. In 1979 IHS funds for psychiatric hospitalization were contracted to the Papago Tribe, but drastic federal cuts were applied in 1982 and the tribe lost its contract health care allocation.

It,is imperative that the contract health care funds be restored to the tribe for increased patient care. The tribe proposes a budget of $46,000 annually that will allow for contracting with Tucson and Phoenix psychiatric hospitals for short-term psychiatric hospitalization.

PAPAGO NURSING HOME FACILITY

No elderly nursing care facility exists on the Papago Reservation, so Papagos in need of such care are removed to a society and surroundings far different from those in which they have lived all of their lives.

To remedy this stressful situation, the Papago Tribe proposes the construction of a nursing home facility on the reservation. The home would provide culturally relevant care administered by Papagos who can provide qualified care and attend to the specific needs of the Papago elderly.

PAPAGO EARLY CHILDHOOD EDUCATION PROGRAM

The preparation of pre-kindergarten aged children (3 to 5 years) for entry into kindergarten and subsequent years of schooling is the primary goal of the Early Childhood Education Program. The program, through the early teaching of basic academic and social adaption skills, has proved successful in providing transition from home to school.

Of the $1.8 million recommended for Early Childhood Education, it is proposed that $275,000 be earmarked for the Papago program. It presently receives only $75,000 from the BIA and has financed the balance from its own limited income. Without an additional $200,000 to replace diminished tribal funds, the program will have to be terminated.

PAPAGO HIGH SCHOOL

The idea of taking a high school age student, removing him from his home and family, and placing that student hundreds of miles away in a boarding school to receive an education, is implausible to most families in the United States. Yet this is what happens every year to about 400 Papago high school students and their families. The Bureau of Indian Affairs boarding school system for decades has educated Papagos in this manner, and the system continues today.

The President's budget request provides funds for the Cheyenne River Consolidated School, which is first on the BIA's priority list. No funds were provided for the Papago high school, which is second on the list.

The Papago high school is made necessary by the planned closure of Intermountain and Phoenix Indian School. More Papago children attend these schools than the children of any other tribe.

PAPAGO SKILL CENTER

The Papago Tribe views the Skill Center as a major component of the tribal organizational structure, capable of producing qualified, skilled individuals who can secure available jobs. This in turn will help to reduce high unemployment, and will help to create and enhance the local economy.

The Department of Education was unable to fund the Skill Center in 1985 due to budget cuts; however, had the BIA provided its matching funds as required by the Vocational Education Amendments of 1977, adequate funds would be available to provide for vocational education training programs.

To provide adequate funding so the Papago Skill Center can continue to operate, the tribe proposes support for reauthorization of the Vocational Education Act, retaining the one percent set aside for both the Department of Education and the Bureau of Indian Affairs, and proposes that the BIA be directed to meet the requirements of matching the one percent set aside. The tribe also proposes the following funding for the center: Fiscal Year 1985, $291,913; Fiscal Year 1986, $321,104; Fiscal Year 1987, $353,214.

STATEMENT OF RALPH MINNICK, SECRETARY/TREASURER AND GENERAL MANAGER, CONFEDERATED TRIBES OF THE WARM SPRINGS RESERVATION OF OREGON

My name is Ralph Minnick and I am the Secretary/Treasurer and General Manager of the Confederated Tribes of the Warm Springs Reservation of Oregon. I am here today to ask the Committee to add sufficient money to the IHS budget to provide $209,000 in Contract Health Care funds at Warm Springs to be used for the specific purpose of providing direct care of Indian alcoholics at an outside health care facility. (Exhibit 1) Funding is not currently available through IHS because the priority system used by IHS does not permit use of contract health care dollars for such treatment.

Warm Springs is a 640,000 acre reservation created by treaty in 1855. We have 2641 members and are the largest employer in Central Oregon with 1550 people employed in our forest, lumber mill, government and enterprise activities.

The tribal government is very concerned about the delivery of health services on the Reservation. Since our Treaty was signed, the United States has accepted primary responsibility for health services on the Reservation, which we view as a trust responsibility. Until recently, Congress acting through the Snyder Act and other legislation has borne most of the financial burden. Today the provision of medical services is a joint effort between the IHS and the Tribes. In addition to IHS funds the Tribes have embarked on a comprehensive medical insurance program covering its employees and their families. Under the program the Tribes self-insure the first $5000 of coverage and reinsure with an insurance company for the balance. Most of the benefits go to Tribal members and other Indians on the Reservation and make us the largest single payor of medical benefits in Central Oregon.

Despite our joint efforts, very serious health problems remain on the Reservation, with one of the most serious being alcohol and drug abuse.

To date, IHS has not effectively dealt with the problem of alcohol and drug abuse on Indian Reservations. IHS has side-stepped the issue by refusing to recognize alcoholism as a disease. IHS has also focussed on the treatment of alcohol-related problems after they have arisen rather than dealing with their prevention. Contract health care money is not available to provide for the direct treatment of Indian alcoholics at outside facilities under current IHS policies since such treatment does not come within the definition of "urgent/emergent care".

Yet, by failing to provide such treatment we see these people inevitably incurring expensive related medical costs.

In 1983 we identified $483,385 in payments that had their basis in alcohol-related causes. Of these, we experienced 18 claims in excess of $2,500 with one claim totaling $250,000. We know that there are many other such claims which could not be readily identified.

The medical costs associated with alcoholism at Warm Springs are high, but the figures connecting alcohol and drug abuse to our death rate are frightening. During the previous five years 124 Indian deaths occurred at Warm Springs. We have done a close study of each of these deaths involving reviews of medical records and police records, and consultations with physicians, community health representatives and others. We believe the results of this study are much more accurate than those traditionally done using only death certificates and other medical records. During the five year period the median age of death was 36, approximately 30 years below that of the population in general. Of the 62 people over the median age, 36 people died of alcohol or druq related causes. Of those 36 people, 25 died of chronic alcoholism.

From our Tribe's viewpoint, the most troubling aspect of this problem is that a very large number of these deaths are occuring among our young people. Of the 62 deaths under the median age, 100% died directly or indirectly from alcohol or drug related causes. Included were 23 vehicle related deaths, 8 suicides, 6 homicides, 11 other accidents, and 14 non violent deaths ranging from fetal alcohol syndrome to chronic alcoholism.

Until recently, neither IHS nor Tribal programs had been able to significantly impact the situation with regard to alcohol abuse. However, during the past 18 months the Tribes have changed the direction of our program and have embarked on a program including contract care with outside treatment centers followed with an active after-care program at Warm Springs. During those 18 months 27 people have entered the program and the success rate has been 88%, with only three people developing recurring problems. It costs approximately $5,000 per person for contract care at an outside facility and we project a shortfall of $209,000 this year. The Tribes simply do not have the funds to meet this urgent need.

Finally, there is no quick solution to the problem of alcohol and drug abuse on Indian reservations. It is absolutely essential that any program encompass sufficient time to allow a basic change in community attitudes. The Tribes are currently working with IHS to develop a pilot program aimed at reducing overall long-term health costs on Indian reservations by directly attacking the alcohol and drug abuse problem through education and preventive treatment. We believe that our efforts may provide Congress with valuable tools to cope with the costs of Indian health care. Thank you.

EXHIBIT 1

FUNDING TO PROVIDE IMMEDIATE DIRECT TREATMENT

Request No. 1

Number of people projected to need immediate alcohol residential treatment	90 +	
Number of people willing to accept immediate alcohol residential treatment during 12-month period	40	
Average cost per treatment episode	$5,000	
Additional Cost per episode for family involvement	500	
Total cost per episode	5,500	
Computation of total costs:		
Cost per episode	$5,500	
Number of people for treatment	40	
		$220,000
Less 5% deduction assessed to each individual to be paid off in installments when employed	220,000	
	x 5%	
		11,000
Total Funding Request		$209,000

Source: Based on information from the Tribe's Health Department, Police arrest records, Court records and Probation & Parole Department records.

STATEMENT OF RODGER BOYD, THE NAVAJO NATION

Mr. Chairman, members of the Subcommittee, my name is Rodger Boyd. On behalf of Chairman Peterson Zah and the Navajo Nation, I want to extend our thanks to the Subcommittee for this opportunity to comment on President Reagan's FY '85 Budget for the Bureau of Indian Affairs (BIA). We will be submitting detailed written comments and requests to the Subcommittee in the next few weeks as a followup to our comments here today. *

The FY '85 BIA budget request constitutes strong evidence that the BIA intends to default on its statutory and Treaty duties to the Navajo Nation. This appears to be another case of the BIA saying that it has adequate funds to meet its trust duties while in reality the funds sought are several tens of millions of dollars short of actual need.

Indian Education programs have already sustained severe funding cuts in previous fiscal years. For FY '85 the BIA is proposing to hold most programs at their FY '84 levels. This means that there will be inadequate funds for Navajo education. Yet, the BIA has proposed increases for its own administrative costs. At the time, a $525,00 reduction is proposed for Navajo Community College (NCC). If this reduction becomes effective, NCC will be required to cut programs at the very time when enrollment is steadily increasing. The Navajo Tribe is providing NCC with $1.5 million from its own general revenues in FY '84, as it did in FY '83. Over the last five years, the Tribe has invested $4.85 million in the College. We ask the Congress to fully support NCC by restoring the cuts proposed for FY '85 and adding funds to the FY '85 budget to match the Tribal contribution to the College.

Continuing education program funding at FY '84 levels will also severely impair the Bureau's ability to provide safe and sanitary school facilities. The total budget request for facilities improvement and repair is about $40 million. The need at Navajo alone is nearly $300 million. The BIA budget request, if approved, would simply delay or defer essential facilities improvement and repair. In the long run this will result in significant added costs to the federal government as the required repairs increase in both quantity and quality. We ask that the BIA be directed to seek adequate funds to meet their duty to operate and maintain safe and sanitary school facilities on the Navajo Reservation. We would also like to remind the Subcommittee that the United States has an obligation under the Treaty of 1868 to provide not only facilities but also qualified teachers for Navajo students.

The Navajo Tribe would also like to go on record today with respect to the provision of forward funding. The lack of timely financial assistance causes continuous disruptions in all BIA programs. While the need for forward funding is most acute in education programs, its use would be beneficial in every one of the Navajo Tribe's P.L. 93-638 contracts.

Since the passage of P.L. 93-638, the Indian Education and Self-Determination Assistance Act, the Navajo Tribe has contracted all or part of several BIA programs. Without exception, the funds for these programs are inadequate in FY '84 and will continue to be inadequate under the President's budget for FY '85. For example:

1. The social services contract for FY '84 provides the Navajo Tribe with $26.8 million. Our actual needs are in the range of $35.6 million. Similary, the FY '85 request for about $105 million for nationwide social welfare needs will lead to a serious funding shortfall in the Navajo Area. During FY '82 and '83 the Navajo Tribe expended about $1.75 million of its general funds to keep this P.L. 93-638 social services contract solvent. These funds still have not been repaid to the Tribe. Now, the BIA is proposing reprograming $7.4 million for school construction on the Alamo Navajo Reservation in order to meet its FY '84 nationwide funding shortfall for all social services programs. This is unfair to the Alamo Navajo people and Indian people everywhere. The $7.4 million of reprogramed funds

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* All of the projected and estimated funding needs stated in this testimony are shown in 1984 dollars.

would not even cover the projected $9 million shortfall for the social services programs at the Navajo Area for this year, much less the overall national need. We fail to see why the Alamo Navajo should be forced to delay or defer their badly needed school to make up for the failure of the BIA to request appropriate funds in the first place.

2. In the area of law enforcement, the Navajo Tribe has expended about $50 million of its general revenues to meet needs over the past ten years. The BIA has not even matched this funding effort. For FY '84 the Navajo Tribe is providing about 55% of the funds being expended for law enforcement. Even with the expenditure of Tribal funds, there is a need for approximately $15 million on FY '84 to meet operating costs and to bring the Tribe into compliance with the P.L. 93-638 contract terms and federal regulations. In the next few years it is projected that the Tribe will require about $19 million annually for law and order operations. In addition, we will require about $35 million for adult detention facilities and about $12 million for juvenile facilities. At present, there are no Navajo juvenile offenders detention facilities. None of the jails on the reservation meet even minimal federal standards for health and safety. The Tribe will spend hundreds of thousands of dollars from its own general revenues in FY '84 to attempt to meet emergency repair requirements in the existing Tribal jails. The Bureau is not seeking any additional funds for operation or construction in FY '85.

3. The Navajo Courts are slated for a one-third cut in funding under the President's FY '85 budget. This comes at a time when the workload of the Courts is actually increasing. More than half of the Navajo population is under age 18. Yet the BIA has never provided adequate funding for juvenile justice programs. The Navajo Tribe is funding a modest juvenile justice program from general funds in FY '84. With the federal funding cuts proposed for FY '85 the Courts will either require greater Tribal funds or simply cease to function as an effective Court system.

4. The housing program is slated for a $2.2 million cutback in FY '85. This will result in an overall reduction in the housing services available to the Navajo people. With the Tribe's population growth and the historic lack of adequate housing programs on the reservation, the opportunity for Navajos to live in decent, safe and sanitary housing is becoming more elusive with each passing year.

5. In FY '83 the BIA failed to pay the Navajo Tribe its negotiated indirect cost rate on P.L. 93-638 contracts. The Navajo Tribe has been advised through contract modifications that the Bureau will only pay 75% of the indirect cost rates established for FY '84. The budget request for FY '85 will further reduce funds for indirect costs. These continual reductions severely impair the financial and management resources of the Tribe.

Based on these few examples, we believe that it is clear that the President and the BIA are in the process of reneging on their established trust duties. The P.L. 93-638 contracting process is quickly becoming a device for Tribal self-termination. Unless this situation is corrected by the Congress in FY '85 the Navajo Tribe will have no choice but to retrocede these contracts and initiate legal proceedings against the BIA to require compliance with federal laws enacted for the benefit and welfare of the Navajo people. The Tribe simply lacks the financial resources to allow it to continue to financially assist the BIA to comply with its federal trust responsibilities.

To say the least, we are disappointed that the Bureau and Navajo-Hopi Indian Relocation Commission (NHIRC) have failed to request funds for the development of the Former Joint Use Area (FJUA). The Bureau is seeking about $3.8 million in FY '85 for the operations of the NHIRC. This is a reduction of about $175,000 compared to FY '84. This is puzzling to us in view of the duty imposed on the Bureau and the Commission to assist both the Navajo and Hopi Tribes with development of the FJUA reservation. This duty is imposed by the Navajo Hopi Rehabilitation Act and the Navajo Hopi Land Settlement Act. As many of you know, the FJUA has experienced little or no development over the last twenty years due to the land dispute. Both the Navajo and Hopi Tribes are committed to full cooperation to ensure proper development of the FJUA. This cooperative spirit has already led to the start of construction of a new high school at Hopi. A new clinic is desperately needed. The Turquoise Trail road construction project needs special project status funding and Congressional support to become a reality. This highway, once constructed will provide vital infrastructure for the FJUA and will further ease tensions between the two Tribes. We ask your support and assistance to require the Bureau and the Commission to fully discharge their responsibilities for the development of the FJUA.

The BIA is proposing to continue to apply a band aid solution to Indian reservation economic development. There is a serious lack of comprehensive reservation development planning that would include coordinated programs for training and technical assistance, employment assistance and capital formation. While $5 million in new funds is being requested in FY '85 for economic development projects, employment assistance is being cut $554,000, the loan guarantee program is being deleted from the Credit Program. Minimum amounts are being requested for training and no funds are requested for technical assistance. Most of the reservations, including Navajo lack adequate capital, management expertise, trained work forces and the overall capacity which would enable the People to move toward more self-sufficient economies. The Navajo Nation is confronted with a staggering 35% unemployment rate, per capita income of $2,414 compared to the National average of $7,311, and where 49.7% of Navajos are living below the poverty level compared to the National average of 11.7%. The Bureau's FY '85 budget proposal reflects an apparent misunderstanding of its own past failure - not effective solutions to economic problems.

The Bureau also professes to be seeking adequate resource protection funds. The reality is that the funds sought, if appropriated, would be wholly inadequate to meet the following Navajo needs:

1. Funds for cadastral surveys would not be adequate to complete the survey of the Navajo Reservation in FY '85. The reservation has never been surveyed and current efforts by the BIA will take several more years to complete at the present levels of funding. This will result in continued difficulty in planning and implementing land use plans.

2. Funds for archeological clearances are inadequate. Based on the FY '85 BIA budget request, the Navajo Tribe can reasonably expect to continue to encounter long delays in the competition of federally mandated clearances. This has the substantial effect of impeding economic development and self-sufficency for the Navajo Nation.

3. Similarly, the funds sought for forestry will not yield any real reduction in the forestation backlog in the Navajo Nation. At present funding levels, the Navajo backlog will continue to exist for about fifty more years - not the ten year time span stated in the proposed BIA budget. The Navajo Tribe is spending about $600,000 of its own general funds for forest management in FY '84. This exceeds current and projected BIA expenditures in the Navajo Area.

4. Funding for mineral resource inventories and development monitoring and enforcement are wholly inadequate. The Navajo Nation still lacks the support and assistance required to know exactly what resources the Tribe owns. The lack of required assistance to thoroughly monitor on-going resource development for compliance with lease terms and conditions is also a matter of great import for the future welfare of the Tribe.

5. The BIA is not seeking adequate funds for land title record keeping and clearances. The Navajos will continue to suffer from the lack of timely and accurate land status information in FY '85.

6. Funds for Fish and Wildlife are inadequate. The Navajo Nation receives about 1% of the annual nationwide BIA appropriation for fish and wildlife. In the current fiscal year the Tribe is spending about $225,000 of its general revenues or nearly twice as much as the BIA. The outlook for 1985 shows no improvement in the level of BIA support.

7. Necessary funds for water litigation on the San Juan River and the Little Colorado River are not being specifically sought by BIA in FY '85. In the current fiscal year, the Tribe received $137,000 from the BIA for work on the San Juan River. The actual need is for an additional $427,250 in FY '84 and about $1.7 million in FY '85. These funds will primarily pay the experts necessary to develop our proof. On the Little Colorado, we need $367,005 in FY '84 and $1.1 million for FY '85. These funds are urgently needed in order to enable the Tribe to meet judicially established deadlines for submission of its claims. In the same regard, we would ask the Subcommittee to note that both the Navajo and Hopi Tribe believe that funding for the Little Colorado litigation should be provided directly to each Tribe. We do not accept the determination of the Bureau and the Justice Department that there is no conflict-of-interest between the two Tribes relative to rights in the Little Colorado River.

You will notice that the Bureau is not seeking any funds in FY '85 for construction of the Navajo Indian Irrigation Project (NIIP). The Tribe is requesting $1.5 million for FY '84 and $17.5 million for FY '85. This project was authorized as part of P.L. 87-483 on June 13, 1962. It is interesting to note that the San Juan - Chama Diversion Project was concurrently authorized by the Congress. This project was completed years ago and San Juan River water is being stored and used in the Rio Grande Valley. On the other hand NIIP is only about 40% complete. The BIA continues to fail to carry out the intent of Congress with respect to NIIP. For FY '85 the BIA apparently intends to continue fail to secure funding for NIIP. We ask that you provide the funding needed.

We also have a need for funds to assist Navajo Agricultural Products Industry (NAPI). The Assistant Secretary for Indian Affairs agrees with us that NAPI has never been properly capitalized. During the past year, in conjunction with Mr. Kenneth Smith and his staff, the Tribe has changed the management of NAPI and renegotiated the NAPI debt. These actions will save NAPI and the Tribe several millions of dollars over the next five years. Even with these improvements NAPI is still in need of adequate capitalization. We are requesting $1.0 million for NAPI in FY '85.

We note that the Bureau's proposal for Automatic Data Processing (ADP) funding will further unnecessarily reduce program funds available for direct service delivery. Under the Bureau's plans, every program dollar would be subject to a levy for ADP. This will lead to problems of accountability and control. The ADP costs should be identified as a line item in the budget. There is no justification for using funds otherwise intended fór services to create an internal funding mechanism which is not subject to reasonable controls and accountability.

Similarly, in the area of road construction we would like to note that the Bureau is attempting to use 6% of the Tribe's Highway Trust fund entitlement for administrative cost. The Navajo Tribe recommends that the Bureau be directed to request adequate funds for administration under its general administrative budget.

Finally, we would like to raise with you our concern about the inequitable distribution of funds appropriated for BIA programs. During FY '82 and '83 the Navajo Area consistently received less than a fair share of BIA dollars compared to all other Areas. This is true regardless of the measure chosen to compare fund distributions. For example, the FY '83 natural resources program the Navajo Area received $.71 per acre of Navajo land compared to $6.18 per acre of Portland Area Tribal lands and the Navajo Area received $9.26 per capita for trust responsibilities while the Portland Area received $80.00 per capita. We are requesting that this matter be investigated further and that appropriate corrections be made to ensure equity in the distribution of appropriated funds in FY '85 and future fiscal years.

Conclusion

With increasing frequency the Navajo Nation is being called upon to fund services and programs mandated by federal laws and the Treaty of 1868. The basic institutions of Tribal self-governance are threatened by the lack of federal funds. Navajo lands and resources are suffering from lack of proper management. The Tribe lacks the information and assistance necessary to monitor and enforce land and resource use requirements. We still do not know if mineral lessees are paying even the minimal royalties under their BIA negotiated and approved leases.

The Navajo people are eager for education and knowledge. The Treaty of 1868 and other federal laws require the United States to ensure an adequate education for all Navajos. Performance of these duties is being frustrated due to lack of funds.

Navajos found to be eligible for social services programs are regularly denied assistance due to lack of funds. Comprehensive social welfare program planning is impossible. Innovative workfare concepts cannot be implemented. In the area of law and order, the Bureau is not meeting even one-fourth of our actual funding needs. The Bureau has not addressed our funding needs for detention facilities construction.

The Navajo Tribe cannot and will not allow the BIA to continue to default on its trust duties. If President Reagan is earnest in his stated policy goals for Indian Tribes, then the BIA has not served him or the Navajo Tribe well. Progress toward Tribal self-sufficiency will only come through a clear recognition of the trust duties required of the BIA and a commitment by the BIA to secure adequate funds for the discharge of those duties. The BIA's FY '85 budget proposal will not allow the Bureau to comply with its duties as the trustee for the Navajo Nation.

STATEMENT OF PAUL ALLEN, M.P.H., EXECUTIVE DIRECTOR, AMERICAN INDIAN HEALTH SERVICE OF CHICAGO, INC., CHICAGO, ILL.

I am Paul Allen, Executive Director of the American Indian Health Service of Chicago, Inc.

The thrust of my testimony is to urge continued support of health services for Urban American Indians, and an appropriation of $12.3 million for Title V of the Indian Health Care Improvement Act (to be reauthorized) for the Fiscal Year beginning October 1, 1984.

POVERTY, SOCIO-CULTURAL BARRIERS, AND THE NEED FOR SERVICES

Of the major ethnic groups in the United States, American Indians have the lowest health status, the greatest need for health services, and the least ability to obtain and pay for health services. Of the patients seen in our medical clinic during a one year period, 70 percent were below the CSA poverty guidelines. Only one (1) percent of the medical patients had any health insurance coverage. This is indicative of the marginal jobs which many of our patients hold. Less than one-third of our patients were employed.

According to the 1980 census, in Chicago four times as many American Indian families are below the poverty level as are white families. The median income of Indian households was $10,853.00, compared to $17,329.00 for the white households.

For patients who are impoverished, unable to pay for the health care which they need, and who have no third-party coverage, specially funded services such as ours, are essential. Even if adequate financial coverage was available for the entire Indian community, our services would still be essential for many of our clients for whom there are socio-cultural barriers to receiving services in non-Indian settings, even when reimbursement for services is guaranteed.

PROGRAM EFFICIENCY LIMITED BY LACK OF FUNDS

As our program has matured during the last two years, our productivity has increased. During calendar year 1983, our part-time dental program provided $44,652.50 of dental services with an actual out-of-pocket cost to clients of $5,949.99.

However, our operational efficiency is limited because we have no funds available to hire any primary care medical personnel. Consequently, we are unable to efficiently utilize our existing physical facilities, or to utilize potential volunteer and student resources. Our clinic sets unused frequently when there are members of our community who need service because we don't have funds to hire a core primary care medical staff.

We are currently limited to providing medical care to pregnant women and children (using only volunteer physicians). Many of the adult males and women who are not pregnant, whom we refer to other resources because we can not serve them directly on-site, do not receive timely or appropriate care. This sometimes later results in unnecessory hospitalization, and unnecessary expense to the public.

SUMMARY

Title V of the Indian Health Care Improvement Act provides essential services which are not available to our community from any other source. In our community additional funds are required to provide a full range of primary care, and to more fully and efficiently utilize our existing resources. I urge that you recommend appropriation of $12.3 million for Title V in FY 85.

STATEMENT OF JOANN KAUFFMAN, PRESIDENT, AMERICAN INDIAN HEALTH CARE ASSOCIATION, ST. PAUL, MINN.

Mr. Chairman and Committee Members, I am JoAnn Kauffman, President of the American Indian Health Care Association. On behalf of the 37 urban Indian health programs, I would like to express our deep gratitude and appreciation for your continued support which has been key to the survival of these programs. I also want to thank you for the opportunity to appear before this committee to comment on the impact of the proposed FY1985 budget upon the access to and provision of health services for the urban Indian populations of this country. These American Indian people are currently surved by 37 programs in 19 states.

For the third year in a row, we appear before you faced with the administration's proposal to eliminate the urban Indain Health Programs funded under the authority of Title V of the Indian Health Care Improvement Act. Despite the fact that the 37 urban Indian Health programs have demonstrated outstanding success in improving the overall health status of their client population, we must fight tooth and nail every year just to survive. There are so many areas of health care delivery that cry out for our full attention. We can only look forward to a time when the urban Indian health programs will be granted the recognition they deserve as an important part of the Indian Health Service health care delivery network.

According to the 1980 census, over 50% of the American Indian population now resides in urban communities across the nation. A large percentage of that population was moved to urban areas as a result of the massive relocation program undertaken by the Federal Government during the 1950's. This Indian population maintains strong ties with their reservations and the vast majority continue to be tribal members. No Act of Congress and no court decision has ever determined that their status as Indians terminates once they cross the reservation border. In fact, Mr. Chairman, Congress has stated that the Federal Government has a responsibility to provide health care to Indians, including urban Indians, in the Indian Health Care Improvement Act. The members of the Association take this commitment seriously and believe that the continuation of these programs is absolutely critical.

APPROPRIATIONS vs. HEALTH CARE COSTS & UNMET NEED

The appropriation level for urban Indian Health programs has not kept pace with the increase in health care cost. According to data available from the Health Care Financing Administration, National Health Expenditures have increased at an annual percentage rate of 12.8% since 1965. Since 1978, the annual increases have been as follows:

1978	......	11.9%
1979	......	13.5%
1980	......	15.8%
1981	......	15.1%
1982	......	12.5%

If these actual increases had been reflected in the appropriation levels for urban Indian Health Programs, appropriation levels would have risen as follows:

APPROPRIATION LEVEL			INCREASE IN NATIONAL + HEALTH EXPENDITURES		ACTUAL APPROPRIATIONS	SHORTFALL
1978	$ 6,858,000					
1979	6,858,000	+	11.9% =	$ 7,674,102	7,270,000	404,102
1980	7,674,102	+	13.5% =	8,710,106	8,000,000	710,106
1981	8,710,106	+	15.8% =	10,086,302	8,900,000	1,186,302
1982	10,086,302	+	15.1% =	11,609,334	8,160,000	3,449,334
1983	11,609,334	+	12.5% =	13,060,501	6,000,000	7,060,501
1984	13,060,501	+	12.8% = (est.)	14,732,245	9,000,000	5,732,245

As a result of this shortfall in appropriations over the last six years, the urban Indian health programs have actually incurred a total loss in buying power of $18.5 million. It is not surprising when we review these statistics that the health status of American Indian people falls significantly below that of the general population.

Using the average annual increase of 12.8% in health expenditures, the 1985 appropriation level should be $16,617,972.

Despite the limitations on funding the need for health services has increased dramatically. In Dallas, for example, the patient population has increased by 185.9% since 1979 while the actual dollars have only increased by 10.1%.

The following chart shows a breakdown of that increase:

YEAR	SERVICE GROWTH	IHS DOLLARS
1980	75.2%	10.1%
1981	69.0%	11.1%
1982	5.0%	2.0%
1983	36.7%	-13.1%
TOTAL:	185.9%	10.1%

The Dallas Indian community has a unemployment rate of 45.6% and 53% of that population is at or below the proverty level. The majority of this population has no insurance and many hospitals in the Dallas area will not admit them without proof of ability to pay.

By maximizing personnel hours, cutting down on actual clinic hours, etc., programs have managed to accommodate the increasing demand. However, there is only so much that can be done with limited resources. Many projects have turned away patients because they simply do not have the resources to treat them.

BUDGET REQUEST.

As all Americans, we are cognizant of the federal deficit. However, American Indian people have been the victims of extreme deficits in health care and we, therefore, recommend that Congress appropriate at least $12 million for FY 1985.

The $12 million would permit the follows:

1. $1.3 million to permit an upgrading of health care activity levels in existing programs based on an increasing demand for services which currently cannot be met,
2. $.25 million to conduct needs assessment and feasibility studies in 5 - 7 urban communities that have substantial Indian populations with unmet health care needs.
3. A 12.8% increase (over 1984 appropriation level) for current program operations, based on average annual increases in National Health Expenditures.
4. $.3 million to conduct a women's health promotion initiative in urban areas, (Discussed in more detail later).

One of the myths that continues to persist is that alternate resources are available to provide health care to the urban Indian population. The urban programs have been able to document that these so-called "alternate resources" are extremely limited, where they exist at all.

1. Unlike tribes and tribal organizations, urban Indian organizations are not eligible for direct funding under the federal block grant program.
2. Changes in state Medicaid/Medicare policies via stricter eligibility criteria, demand for co-payment, deductibles that must be met before care is reimbursed, and ceilings on reimbursement severely limit Indian participation. As a result of these changes, some of the larger projects will sustain a 30% to 40% decrease in Medicaid revenue.
3. Many metropolitan systems refuse to provide health care to Indian patients, believing they are a federal responsibility.

There are many true stories which point up the problem with alternate resources. In Minneapolis, for example, an Indian woman came to the mergency room of the University of Minnesota Hospital hemorrhaging badly following the birth of her child. The emergency room nurse called the American Indian Health Care Association office in St. Paul to find out if the Association could provide treatment. The Association provides no health care and referred the nurse to the Indian Health Board of Minneapolis. The nurse called the Health Board which sent someone to pick up the bleeding woman and transport her to the urban clinic where she finally received treatment. IHS has a contract with the University of Minnesota for 100% reimbursement of costs when they treat an Indian referred by Aberdeen IHS. So they turned away this critical case. Without the Indian Health Board of Minneapolis, this woman could have died for lack of treatment.

The Oklahoma City project has particular problems because of a lack of available hospital space for their OB patients. One Indian woman in the final stages of labor was turned away from two hospitals. She delivered her baby in the car on the freeway trying to make it to the closest IHS facility some 50 miles away. Another woman had her baby at the Oklahoma City urban health program because she could not gain admittance. With incidents like this it is not surprising that the infant mortaility rate for Indian babies in the area doubled from 1979 - 1981 to 25 in every 1,000 live births. This is well over double the national average.

Despite these horror stories, it is important to note that the 37 urban health projects have made great strides in networking with existing health care delivery systems. The projects that provide information and referral work extensively with both public and private health care providers. Those projects that provide direct health care services have become full partners in the community health care network. In Seattle, for example, the Seattle Indian Health Board has the largest patient load of any community clinic. The other health care providers have stated that there is no possible way to absorb the urban Indian population should the Seattle Indian Health Board be eliminated.

NEEDS ASSESSMENTS

There are a number of urban areas with significant urban Indian populations that have requested assistance to explore the feasibility of developing health projects. These areas include Flagstaff, Arizona, Bismark, North Dakota, Cleveland, Ohio and Boise, Idaho. We propose to utilize $250,000 to do needs assessments to determine what kinds of services these Indain populations need and how best to serve them. This amount would allow for 5 - 7 such studies depending on work that has already been done in these areas.

WOMEN'S HEALTH INITIATIVE

The problems noted previously concerning obstetric services highlights a major problem in urban Indain health care -- the health status of women. Overall, the projects have been very successful in providing effective pre-natal care thereby lowering the infant mortality rate. The utilization of community hospitals for delivery continues to be a major problem. It has become extremely difficult to find OB doctors willing to deliver these babies. The staggering unemployment levels among the urban Indian population has compounded many problems and the clinics are seeing higher numbers of battered women and abused children than ever before. The rate of teenage pregnancies is growing as dollars available for family planning decrease. More and more women are requesting mental health services. The members of the Association believe that the problem of our female client population must be examined and systems developed to address these problems. Programs then, can be replicated in other Indian health projects.

Our ability to improve the health status of the Indian population is dependent upon how effective we are with the health needs of women and their children. We would like to undertake a multi-year special initiative to attack this probelm in an effective manner. Initial funding would provide for study of the various issues involved and the development of program models to be implemented on a test basis in 2 or 3 projects. Every effort would be made to establish linkages with other DHHS programs dealing with women's health issues and utilize existing information wherever possible.

INCREASE TO FY83 APPROPRIATIONS WITHHELD:

Efforts to improve the health status of our patients have been met by Administrative obstacles. Last year Congress recognized the need to increase Title V appropriations as a means to keep pace with the escalating cost of health care and provided a $1 million increase. To date, that increase to meet the needs recognized by Congress, has not been passed along to service programs by the Indian Health Service. We are half way through the fiscal year with no indication that the increase will be channeled to patient care.

ADMINISTRATIVE CHANGES:

We would like to take this opportunity to address some problems with IHS. Since the inception of the Title V programs, the projects have argued for the implementation of a standardized reporting system for all programs. To date, IHS has not implemented such a system. The system is developed but no action has been taken by IHS. This common reporting mechanism allows a standardized system which can provide Congress, urban projects, and IHS with data that will help to get a full picture of Indian health conditions and to assist in making funding decisions. We urge the Committee to assist in encouraging IHS to implement this system and to provide sufficient technical assistance and manpower to those projects that may have difficulty in implementing such a system.

Another problem that has been of concern to the urban health projects is the lack of coordination between IHS central office and the area offices. This has partly been as a result of insufficient manpower at the central IHS office to effectively deal with the 37 program contracts. Each area deals differently with the urban projects. The urban programs would like to suggest the establishment of an office of urban Indian Health within IHS with sufficient personnel to effectively administer the overall program and to provide a focus for creative project development. Perhaps an analysis of this proposition could be developed to determine how it might unravel the bureaucratic tangle in which the urban Indian health programs find themselves.

Mr. Chairman, Indian and Alaskan Native people have always been a mobile population. Indians residing in urban areas maintain strong ties with their tribes and mirror the same low health status of their reservation cousins. To ignore the urban Indian population is to abandon the national goal established in the Indian Health Care Improvement Act, "....of providing the highest possible health status to Indians....". The American Indian Health Care Association and the 37 health programs it represents have struggled for the last three years to survive and maintain existing services. We ask for your renewed commitment to this national goal through the appropriation of $12 million for the urban Indian health program.

Thank you.

STATEMENT OF KENNETH NICHOLSON, CHAIRPERSON, MONTANA UNITED INDIAN HEALTH ASSOCIATION

The Montana United Indian Health Association (hence forth MUIHA) would like to thank this committee for the opportunity to submit written testimony and comment on the proposed FY 85' budget and the impact it will have on the access to and provision of health services for the off-reservation Indian population of Montana, as well as this country. On behalf of the membership of MUIHA we want to thank this committee and express our appreciation for your continued support of Urban Indian Health.

The Montana United Indian Health Association (MUIHA) is a state-wide non-profit health organization with the primary purpose of insuring quality health care is available to off-reservation American Indians. MUIHA has a membership of seven (7) American Indian non-profit organizations that have health programs funded under P.L. 94-437, Indian Health Care Improvement Act, Title V, Urban Indian Health. These health programs provide and make health services accessible to approximately 18,000 American Indians in the State of Montana who reside outside the service area of Montana's Indian reservations.

The Montana United Indian Health Association believes the provision of health services to Indian people is within the Trust Responsibility of the Federal Government. However, the Administration is again recommending "Zero" funding for and elimination of Urban Indian Health programs. It is the feeling of MUIHA membership the Administration of this country is ignoring and is foreshadowing new attempts to abrograte Indian rights. For the third year in a row Urban Indian Health Programs are being put in a position of survival. Because the Administration ignores the importance of Urban Indian Health Centers and also ignores the purpose of the Indian Health Care Improvement Act, Public Law 94-437, of that being "To implement the Federal responsibility for the care and education of Indian people by improving the services and facilities of Federal Indian health programs..." The law states more specifically that part of the overall goal is to provide, "... the highest possible health status to Indians and to provide existing Indian Health services with all resources necessary to effect that policy." MUIHA can only hope for the time, when the Urban Indian Health Programs will be looked upon as viable part of the Indian Health Services health care delivery net work.

The Montana United Indian Health Association identified the following concerns and reasons funding is crucial for Title V, Urban Indian Health.

- Through Title V, funding, most urban Indian health programs were established and presently are the only health care resources accessible to Indian people residing in urban areas of Montana. Without Title V funding, all of Montana Urban Indian Health Programs will have to discontinue services.

- Urban Indian Health programs in Montana do not qualify for State block grants. The private sector, local and state agencies are reluctant, and in some cases do not provide health services or funds. They view it as a Federal Government responsibility to provide health care to American Indians.

- The inaccuracy in the 1980 Census figures regarding the Indian population residing in urban areas in Montana. According to the 1980 Census, there are, in the State of Montana, 10,288 American Indians that are dwelling outside the service area of Montana's Indian reservations. However, the Urban Indian Health Programs in Montana has a service Indian population of approximately 18,000. MUIHA has identified that 90% of the Indian clientele that utilize the Montana Urban Health Programs do not have any type of health insurance.

- The off-reservation Indian community of Montana has many unmet health needs in areas where health problems are related to alcoholism and drug abuse. There is a real need for dental, optometric, prenatal, preventive health care, surgical and other specialty care services. There is a need to provide services to the special needs of children and adults that suffer from physical and/or mental disabilities.

- The Federal Government must recognize its Trust Responsibility to Indian people residing in non-reservation areas, most specifically, the need for Urban Indian Health Centers.

These concerns are reasons why Title V, funding is extremely important to off-reservation Indian population of Montana. Prior to establishing Urban Indian Health Programs, the majority of the Indian people in urban areas simply went without medical care. Because of inaccessibility, financial burdens, lack of health insurance and Indian people surviving on limited resources held little priority for health problems unless they became life threatening. The monies that are provided through Title V, are enabling many Indian people in off-reservation areas of Montana to obtain medical attention and practice preventive health care. The Indian people in the cities of Montana do have an interest in their health and maintaining a good health status. Although there are many unmet health needs of Indian people, funding for Title V, Urban Indian Health will insure that Indian people have the opportunity to continue to seek medical attention they deserve through the programs developed under P.L. 94-437 Indian Health Care Improvement Act.

BUDGET REQUEST

American Indians have the poorest health status and lowest life expectancy rate of any race of people in the United States. MUIHA recommend that Congress appropriate at least 12 million for FY 85 for Urban Indian Health. 12 million would help tremendously in bringing up the health status of Indian people living in off-reservation areas.

The $12 million would permit the following:

1) $1.3 million to permit an up grading of health care activity levels in existing programs based on an increasing demand for services which currently cannot be met,

2) $.25 million to conduct needs assessment and feasibility studies in 5-7 urban communities that have substantial Indian populations with unmet health care needs.

3) a 12.8% increase (over 1984 appropriation level) for current program operations, based on average annual increases in National Health Expenditures

4) $.3 Million to conduct a women's health promotion initiative in Urban areas.

One of the myths that continues to linger is that alternate resources are available to provide health care to the urban Indian population. In Montana that isn't so, the demand for services offered through MUIHA programs is still growing, while the availability of resources that would enable the programs to keep up with demands seems to be shrinking. With resources

The Montana United Indian Health Association and the 7 health programs it represents, we ask for your renewed commitment to support the appropriation of at least $ 12 Million for urban Indian health, title V. Thank you for your time.

Letter From Faith T. Campbell

March 23, 1984

The Honorable James McClure
Chairman, Subcommittee on Interior
Committee on Appropriations
U.S. Senate
Washington, D.C. 20210

Re: Forest Service Appropriations

The Natural Resources Defense Council, Inc. (NRDC) a public interest organization of 43,000 members and contributors, asks that this letter be included in the record of the Subcommittee on Interior's hearings on the FY 1985 appropriation for the Forest Service.

The Administration recommends $33.947 million for the Forest Service's wildlife program. Only 3% of this amount -- $1.007 million -- would be earmarked for endangered species conservation. NRDC believes this figure to be much too low.

The Forest Service has primary management responsibility for important habitats of about 70 endangered, threatened, and proposed species of wildlife and plants. These species are found in nearly all the national forests. Some, such as the bald eagle and peregrine falcon, are present in small numbers in nearly all regions. Others, such as the gray bat, green pitcher plant, Selkirk caribou, and San Francisco Peaks groundsel, are extremely restricted in their present ranges. Under section 7 of the Endangered Species Act, the Forest Service is obliged to undertake actions to conserve these and other listed species found in national forests.

Forest Service staff have sought to incorporate this obligation into their program. The objectives of the Forest Service's Endangered, Threatened and Sensitive Species Habitat Improvement program are stated as recovery of endangered and threatened animals and plants and their habitat as well as management of sensitive species to avoid listing. The Draft Environmental Impact Statement under the Resources Planning Act outlines Quantifiable recovery ovjectives for a number of listed species. However, even under the more generous FY 1984 appropriation ($2.4 million), only a handful of these 70 species receive attention, principally a few highly visible species such as the grizzly bear in Idaho. The proposed funding level for 1985 represents a 60% decrease from the 1985 base level, necessitating cuts in programs for this species and the California condor, peregrine falcon, bald eagle, and Kirtland's Warbler. Research on habitat requirements for the critically rare woodland caribou will not be conducted. Surveys of the almost extinct black-footed ferret in Idaho and Wyoming will be limited. In addition, studies of the endangered gray wolf -- including wilderness areas in Idaho and the impact of roads in Minnesota -- will not be funded. The endangered swallowtail kite would benefit greatly from funds for recovery efforts, but receives none under the current budget.

The Administration's proposed budget will not allow the Service to meet the objectives of the DEIS for the above species or its obligations to endangered fishes and plants. Fish are severely neglected in the budget recommendations. Only one out of ten species will be assisted. Projects that could be conducted for fish such as the Lahontan cutthroat trout in Nevada are not budgeted. Such inaction is true for several species of butterflies as well, including the Oregon Silverspot Butterfly.

In addition, NRDC urges initiation in 1985 of recovery programs for other species which have been neglected in the past. Included here are several plant species -- the critically endangered MacFarlanes four o-clock in Idaho, and cacti in southwestern states such as Arizona, Nevada, and Utah.

Furthermore, Forest Service objectives to manage sensitive species of animals and plants under the proposed budget are ignored. The Service should increase conservation efforts for numerous "sensitive" species which will, if not properly managed now, decline to endangered or threatened status. Continuing neglect of these will result in greater expense in future years as desperate efforts are made to prevent their extinction.

The 1985 budget cuts proposed by the Administration would prevent the Forest Service from carrying out its responsibility actively to conserve listed and candidate species of wildlife and plants. The potential for conserving endangered, threatened, or sensitive species found in national forest exists. In order to bring the Forest Service endangered species program more into line with its responsibilities, NRDC urges the Subcommittee to return the amount of the wildlife program's budget earmarked for endangered and threatened species in FY 1985 to $2.4 million.

Sincerely,

Faith Thompson Campbell

Faith Thompson Campbell, Ph.D.
Natural Resources Defense Council

STATEMENT OF F. KAID BENFIELD, SENIOR ATTORNEY AND JUSTIN R. WARD, PROJECT ASSISTANT, NATURAL RESOURCES DEFENSE COUNCIL, INC.

Overview

As a public interest environmental organization with special concern for our national forests, the Natural Resources Defense Council[1] urges this committee to take a close look at the President's FY 1985 Forest Service budget. In particular, we urge the committee to eliminate waste in the agency's costly, inefficient timber program, thereby saving at least $100 million federal dollars. This can be done while simultaneously enhancing the profitability of commodity programs and furthering environmental protection. The major themes of our analysis are set forth under separate headings below.

The administration professes a laudable commitment to increased economic efficiency in national forest management

In this time of unequaled federal deficits, the style of the President's budget seems clearly in line with the growing concern of Congress and the public that government be managed more efficiently. For instance, no doubt many taxpayers would agree with the following statements from the "administrative policy" section on page 4 of the budget's executive summary:

> ". . . there will be increased emphasis on improving efficiency in all resource programs. The Forest Service will strive to increase resource outputs by reducing costs."

> ". . . the trend will be toward establishing increased user fees for activities that are now being provided free or below cost."
>
> "These policies will be carried out while maintaining a strong commitment to conservation principles . . . Appropriate environmental standards will be retained but with more emphasis on evaluating benefits and costs."
>
> "Resource preservation and withdrawals from development activities will be made where justified by the relative values involved . . . There will be a careful weighing of the relative values in making resource choices."

Environmentalists could support such a commitment if it were even-handed

Environmentalists concerned with national forest management are especially eager to endorse statements such as these, so long as they are applied even-handedly to both commodity and conservation programs. Certainly, increased efficiency may mean a close look at some conservation programs; it may also mean, as the administration suggests, increased user fees for forest recreationists. But, with regard to the forests, efficiency must also be brought to the Forest Service's 617 million dollar timber production program.[2]

Study after study has shown that the timber program, as presently managed, is grossly inefficient in some parts of the country. This is because the Forest Service insists on producing timber even where timber values, relative to the agency's costs in growing, accessing and selling it, are such that it can only lose money by doing so. Put another way, the agency is simply selling timber in many forests and from parcels of land within particular forests at below-cost prices. This has been noted in technical analyses by forest economists Drs. Marion Clawson and William Hyde;[3] the resulting yearly cashflow drain from the federal treasury has been confirmed in studies of multi-year data by this organization and by economist Gloria Helfand.[4]

Indeed, the cashflow drain from unprofitable timber sales has been confirmed by timber receipts/costs data furnished last year to this committee by the Forest Service.[5] These data, compiled for FY 1982, show that, when investment costs such as those for building logging roads are not counted, the Forest Service's overall timber program is a profitable one, generating more dollars in receipts than it spends in production costs. However, a geographic breakdown reveals that expenditures exceed receipts several times over in many forests. The cumulative 1982 losses from those national forests with negative timber cashflows amounted to some 90 million dollars.

It is important to note that the agency's receipts/costs comparison is quite conservative. If the investment costs of forest logging roads are accounted for in the equation, many more forests show timber programs in the red; those with negative cashflows have even greater deficits. Under an analysis of the 1982 data prepared by The Wilderness Society,[6] which counted investment costs in the equation, the cumulative losses from forests with timber programs in the red are doubled, to over 180 million dollars.

The administration's commitment to economic efficiency is far from even-handed

As the budget is proposed, the administration's approach to efficiency is far from even-handed. In programs which do not affect commodity production, the President proposes a number of substantial savings measures. These include: the elimination of most assistance to state and private forestry (saving $35 million from 1984 appropriations); further cuts in already-strained recreation and conservation programs such as land acquisition, trail maintenance, and management for recreation, wildlife, fish, soil and water resources (saving a combined $34 million); and proposed legislation to generate increased revenues from recreational user fees (saving $25 million).

The timber program is virtually immune from savings proposals. For sales, the administration proposes a 617.8 million dollar appropriation, slightly lower than that of FY 1984 but well above FY 1983's level of 580.8 million. This, according to the "administrative policy" section, is to maintain "continued emphasis on programs that generate receipts to the Treasury."[7] Yet the budget takes no account whatsoever of the fact that a significant and separable portion of the timber program generates losses -- not receipts -- for the treasury.[8]

The Forest Service often attempts to justify financially inefficient timber expenditures by claiming that harvests are necessary for environmental reasons such as the prevention of tree mortality and for enhancement of multiple-use forest benefits such as recreation. But it makes little sense to spend money to prevent tree mortality when the trees are worth less than the costs of "protective" harvests. Moreover, environmentalists and multiple-use enthusiasts are generally opposed to increases in logging; the Grand Mesa plan alone has been appealed by ten environmental and recreation groups and by the state of Colorado.

Congress should modify the President's budget to make it more fiscally and environmentally responsible

We ask that the timber appropriation be reduced by at least 100 million dollars, with direction to the agency that remaining appropriations be expended only on timber sales that will generate profits for the federal treasury.[9] This would not only constitute a sensible step towards reducing deficits, it also would accomplish the following goals of the administration:

- It would put "increased emphasis on improving efficiency in all resource programs;"
- By providing that timber be sold only at or above cost-recovery prices, it would establish "increased user fees for activities that are now being provided free or below cost;"
- It would allow "a strong commitment to conservation principles," enhanced by "more emphasis on evaluating benefits and costs;" and
- It would further "resource preservation and withdrawals from development activities . . . where justified by the relative values involved."

Since the Forest Service in the past has estimated below-cost timber volume to be around 20% of the national total, the result could be a reduction of national timber sales to an efficient level of approximately 9 billion board feet. But the reductions would occur only in areas where market forces are not strong enough to support timber sales at adequate prices. We ask no changes in the President's budget for profitable timber sales.

STATEMENT OF THE AMERICAN PULPWOOD ASSOCIATION'S SOUTHERN INDUSTRIAL FORESTRY RESEARCH COUNCIL

BACKGROUND

The Southern Industrial Forestry Research Council was established by the American Pulpwood Association in 1978. APA is a national trade association representing the producers and consumers of wood fiber. Its membership includes pulp and paper companies and wood fiber suppliers. In addition to promoting the best interests of wood fiber suppliers and consumers, we are concerned with the management of America's woodlands and the growing of trees. We advocate good forest management practices which will yield perpetual forest crops while protecting our soil and watersheds and permitting fullest possible use of other natural resources. APA also has a continuing interest in the research areas of forest management and utilization of pulpwood and other forest products. So that the industrial forestry interests of the South are fully represented, the Southern Forest Products Association, supported by Southern lumber producers, participates in the Council and fully supports and endorses our common position on this issue.

The Southern Industrial Forestry Research Council, which has published two major reports, one in January 1980 and the second in November 1981, was formed to provide a mechanism to focus on and to help solve industry-wide forestry research problems. Southern Industrial Forestry Research Council objectives are:

1) To identify forestry and related resource research of significance to Southern forest industry.

2) To identify institutions and individuals engaged in this research.

3) To determine forest industry's most pressing forestry and related resource research needs.

4) To recommend action to meet these needs.

Both of the Council's reports have identified the importance of the Forest Survey, and in 1982 a Southwide Forest Survey Task Force was formed to make an in-depth study and recommendations.

We have evaluated Southern forestry research more comprehensively than has never been attempted by industry before. After six years of deliberation and analysis, our findings indicate that industry is generally well satisfied with the course and direction of federally-funded forestry research in the South. We are, however, concerned about the critical need to shorten the Forest Survey cycle to eight years.

IMPORTANCE OF FOREST SURVEY

It is essential for the forest industry, and all agencies concerned with forest resources, to have timely knowledge concerning the condition of the forest and the amount and location of available timber and pulpwood. The Southern forest industry depends upon small non-industrial forest ownerships for approximately half of its raw material. No business can continue with any security if the location, indeed, even the existence, of half of its raw material supply is uncertain. The USFS Forest Survey is the only available broad-scale inventory of Southern timberlands. Consequently, forest industry companies depend upon this Survey information to make wise management decisions. Forest Survey data on timber volume and location is also very critical in decision-making on new mill locations and expansion of existing facilities.

This inventory data developed by the Forest Survey must be up-to-date. Inventory information ten years old or older has limited value, because most Southern pine stands mature in 25 years. Expansion of the Southern forest industry's wood using capacity over the past two decades has substantially narrowed the "margin for error" in resource use decisions. Individual company procurement territories, timber sources, transportation systems, forest management practices, and landowner assistance programs can be adjusted in concert with timber resource trends, as long as Forest Survey inventory data is current and accurate.

DEPENDENCE ON U.S. FOREST SERVICE

Forest industry companies, individually or collectively, lack the expertise and resources to collect forest inventory data on all classes of forest lands. Therefore, the forest products industry has been, and will continue to be, dependent on the USFS Forest Survey inventories as the foundation upon which decisions to invest billions of dollars are based. Without frequent and accurate forest inventory figures, the forest products industry has no way of knowing about or planning for either shortages or overabundances of raw material supply.

RECOMMENDATIONS

The American Pulpwood Association agrees that the Forest Survey program is the single most important service rendered to the Southern forest industry by the USFS. This position is fully supported by the Southern Forest Products Association.

The USFS National Forest Survey Manual recommends an eight-year cycle for the Surveys in the Southern and Southeastern regions, but the actual cycle time has been ten years or more. Changes in the forest resource in the Southern region are so rapid, that the data are frequently unreliable before another Survey cycle can be completed and published. In the South, where the seedling to harvest life-cycle is only 20 to 30 years, it is easy to see how a Forest Survey cycle of ten, twelve, thirteen, or sometimes fourteen years will not supply the accurate data necessary for meaningful forest industry decisions.

We, of course, support holding down the rate of growth of government spending and reduction of the federal deficit. We also realize that all forest research areas are important and commend the USFS research staff for their responsiveness to the needs of all of their research constituents. From our standpoint, however, we feel that shortening the Southern Forest Survey cycle time to eight years is an absolute priority. Official USFS estimates are that it will take approximately 2.5 million dollars to shorten the forest inventory cycle time in the South to eight years. Therefore, we request that 0.5 million dollars be applied to the base budget, with the additional 2.0 million directed to shortening the inventory cycle in the South to eight years. We also recommend that USFS staff identify gentle incremental cutbacks, including stretching target dates for completion, in other research areas to free up the 2.5 million dollars necessary to shorten the Southern Forest Survey cycle time to eight years.

STATEMENT OF MIKE HANEY, CHAIRMAN, TREE COMMISSION, TAKOMA PARK, MD.

My name is Mike Haney. In addition to my responsibilities as a member of the City Council of Takoma Park, Maryland, I am chairman of the City's Tree Commission.

Takoma Park is very proud of its urban forest. The Tree Commission of Takoma Park reflects that pride and provides active leadership to carry out the goals of our urban forestry program.

Because of our interest in caring for our existing urban forest and our efforts to plant trees now to provide an urban forest for the future generations of Takoma Park, we enthusiastically support the concept of urban forestry. We are grateful for the technical advice, financial assistance, and guidance provided by the Maryland Department of Natural Resources. As we have realized the benefits of an urban forestry program at the state level, we value the merits of that program. We realize that many of the resources of that program are provided by the urban forestry program in the USDA Forestry Service budget. We feel that the continued cuts over recent years in this program do not serve the best interests of our nation's cities. Accordingly, we urge the Committee to provide a minimum funding of $3.6 million for the Urban Forestry State and Private Forestry line item and a minimum of $1.5 million for urban forestry research.

Takoma Park is one of five cities in Maryland which was recently honored by being designated as a "Tree City, USA" by the National Arbor Day Foundation. One of the unique characteristics of Takoma Park is that we have some of the largest specimens of the original Eastern hardwood forest, which precedes the birth of our country. The care and protection of those special trees as well as those which do not have special historical significance is important to the residents of the city. Therefore, we place much value on the technical assistance we are provided. As an example, we are scheduled to have our city surveyed by the regional state forester's office this spring. We will receive a free computerized survey which will indicate the health and value of the trees

in our city. From that survey, we will be able to formulate specific health care planning for our urban forest.

Trees play a significant role in making our cities liveable by enhancing the daily lives of the people who live there. Trees provide basic environmental and aesthetic needs for those people. The minimum funding level requested here will provide the mechanism to deliver those needs and do so with long term benefits.

Thank you for your consideration.

STATEMENT OF JOHN M. WESOLOSKI, DEPARTMENT HEAD, FORESTRY, CITY OF FARGO, N. DAK.

As Department Head of the Fargo Forestry utility, I have a profound interest in the concept of Urban Forestry. I am concerned about the proposed appropriation for the Urban Forestry line item in the USDA Forest Service budget. I believe that the funding level of Urban Forestry line item should at least be restored to its 1979 level of 3.6 million.

As a direct result of federal urban forestry assistance, we have been able to complete an inventory of our urban forest and develop a master tree planting plan for the City of Fargo, North Dakota.

The tree inventory has provided us with important information for the development of a comprehensive maintenance program. For example, our city tree population consists of 55% American elm with Dutch Elm Disease mortality continuing to make inroads into our urban elm trees. Compounding our shade tree maintenance program is the fact that our city is separated from the State of Minnesota by the Red River of the North with an adjacent corridor of trees containing 55 elms per acre. Clearly, from a biological standpoint, we were dealing with a potentially explosive situation in terms of Dutch Elm Disease losses. The tree inventory provided us with timely information on species distribution and we were able to identify locations of dead, dying and diseased trees for the purpose of prioritizing our work areas.

The master tree planting plan was developed to eliminate the errors that were made during the initial planting of our Urban Forest by the settlers of Fargo. These early Fargo Urban dwellers demonstrated considerable foresight in planting trees to provide corridors of tree lined streets that provided cooling shade during the summer and improved the quality of life in our city. This first urban forest is not without problems however, due to a lack of planning and understanding of the long term maintenance costs that occur as a result of incorrect selection of trees for urban plantings, substantial amount of tax dollars are expended to maintain or remove trees that have become a liability.

Lack of planning means the establishment of monocultures of trees that can be wiped out by a single disease; lack of understanding means planting trees of poor structural strength on boulevards rapidly outgrowing their livable space causing damage to adjoining sidewalks and curbs.

Our master tree planting plan, which we were able to prepare, due to federal urban forestry assistance will provide for an orderly transition from Fargo's first urban forest to our second forest that will be utilized and enjoyed by succeeding generations of Fargo residents at a lower cost/benefit ratio.

Urban forestry research addressing such issues as urban vegatative systems, planning and the physical environment are absolutely vital to our future well being. When you consider the global impact of the human population on the environment in terms of air and water pollution, scarcity of resources and our toxic waste problems and the fact that a significant percentage of our population resides in an urban area, it becomes painfully obvious that a greater awareness and appreciation must be instilled in our societies if we are to maintain our standard of living. The importance of this research warrants a return to the base level of $1.5 million established in 1979.

This means research and understanding but it also means education and that should begin in our homes and communities.

I believe that Urban Forestry through its many disciplines i.e., Forestry, Horticulture, Landscape planning to name a few, could be the vehicle whereby a workable environmental ethic could be established.

The scope of the project is immense and cannot be expected to prevail through local efforts only. It will take the collective effort of us all - federal, state, local and the private sector if we are to maintain our communities. If we first maintain our communities, environmentally, aesthetically, economically and socially then the ramification of such effort is bound to be positive wherever people and the environment interact. Urban and Community Forestry could be the point of beginning.

Thank you for this opportunity to submit a statement for the record.

Statement of Henry G. Williams, Commissioner, New York State Department of Environmental Conservation

As Commissioner of the New York State Department of Evironmental Conservation, I have great interest in the management of our forest resources. During the past 34 years we have worked closely with the USDA Forest Service to upgrade forest management practices. Consequently, I am deeply concerned with the proposed appropriation for State and Private Forestry in the Forest Service 1985 budget. Funding for State and Private Forestry programs have gone from $62.8 million in FY 83, to $60.8 million in FY 84, to a proposed $25.5 million for FY 85.

Although the Forest Service provides direct funding for less than 20% of our program costs, their assistance has been important. For example, they provided the leadership and financial aid that enabled us to initiate an urban forestry program in 1978. Our urban forestry efforts have been directed at improving the management of trees and forests in cities, towns, suburbs, and villages. The program has been very successful. We have used federal aid to cost-share the development of street tree management plans throughout the state. Forest Service personnel have helped train municipal foresters and private arborists in local workshops. Forest Service grants have been used to develop technical information related to community tree management which is being used by cities, towns, and villages in New York State. These efforts have improved the quality of the environment in hundreds of communities.

Technical guidance and financial support through State and Private Forestry has also been important in our rural forestry efforts. Over 85% of our forest land is owned by individuals. Almost all of the timber harvesting on this land is done by private logging contractors. In order to encourage better forestry practices, we have developed several assistance programs, with help from the Forest Service. Our foresters work with over 4,000 landowners annually on their properties. Forest product utilization and marketing assistance is provided to our 1,700 landowners, loggers, and sawmills. This type of assistance has reduced environmental damage from poor forest practices, while increasing the productivity of our forests in terms of wildlife, timber products, watershed protection, and recreational opportunities.

In all of our forestry programs, the Forest Service has been a welcome partner providing technical guidance, financial support, and program leadership. The drastic budget cuts that have been proposed will essentially eliminate this Forest Service role. I think that this is a mistake. Please support funding for State and Private Forestry at a level of at least $60.8 million.

Thank you for this opportunity to submit a statement for the record.

STATEMENT OF JOHN F. HALL, VICE PRESIDENT, RESOURCES, NATIONAL FOREST PRODUCTS ASSOCIATION

NFPA offered testimony to the House Committee on Appropriations, Interior and Related Agencies Subcommittee on February 28, 1984 concerning the Forest Service's Fiscal Year 1985 appropriations. At that time, we had not developed a specific position for the timber sales program. Thus, our testimony was limited to Research, State and Private Forestry, and timber sale appraisal methodology.

We have developed a position on the Forest Service's timber sale program. NFPA supports the Administration's proposed timber sales level of 11.2 billion board feet for FY 1985. The sales program must be maintained at an 11.2 billion board foot level to support the expected demand for wood products during the 1980's.

There are those who suggest that the program be reduced because the industry currently has more volume under contract than it can feasibly harvest. Although the volume under contract has increased in recent years, much of that volume is economically inoperable at current or expected market conditions. It is inevitable that a large volume of timber in Federal contracts will be returned to the government - either through default or through legislative action. Thus, the operable volume is much less than the total volume under contract.

We would like to comment on a study of the Transaction Evidence Appraisal (TEA) system for Forest Service timber sales.

The Forest Service currently uses a Transaction Evidence Appraisal system in Regions 8 and 9, the South and Northeast respectively. It has plans to test and implement TEA in Regions 1 and 10 - the Northern Region and Alaska. Although the local industry in the South has generally accepted the use of a TEA system, the industry in the West has serious reservations about its implementation. There are a number of factors that contribute to the industry's concern. A primary concern is that the Forest Service intends to change appraisal methods even though it has not adequately identified the problems in the existing residual value method of appraisal which are to be overcome. Additionally, it is felt by some that the TEA system is contrary to the Forest Service's own policy of appraising timber to the operator of average efficiency.

As the national industry representative, NFPA recommended a joint Forest Service-industry committee on appraisal systems to identify the problems and concerns that have developed with regard to appraisal methods and to make recommendations regarding actions or proposals on appraisal methodology. The Forest Service has agreed to the joint study. Accordingly, the National Appraisals Working Group was formed and has held two meetings to date, the most recent less than a month ago.

The FY 1984 conference report on appropriations directed the Forest Service to continue its TEA study in Regions 1 and 10 and to provide test results "to the Committees for review and approval before proceeding to an expanded test". We ask that the task group have the opportunity to develop its recommendations and that the Congress withold further action on this issue until the task group recommendations can be reviewed. It is expected that the recommendations will be developed by late summer, 1984.

The Forest Service should undertake thorough analysis before it makes major policy decisions such as changing appraisal methods. At this time, we have not seen convincing evidence that the residual value method is inappropriate or inadequate. Neither have we seen sufficient reasons for rejecting the use of

Transaction Evidence Appraisals. We are looking forward to the recommendations of the joint task group to provide a basis for those decisions.

We may submit additional comments on State and Private Forestry and Research aspects of the Forest Service Budget by April 6.

STATEMENT OF SARAH THORNE, LAND PROTECTION ASSOCIATE, SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

THE SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS WAS FOUNDED IN 1901 FOR THE PURPOSE OF PROTECTING OUR PRODUCTIVE FORESTS, WATERWAYS, AND SCENIC MOUNTAINS THAT WERE BEING DEVASTATED BY OVERHARVESTING. OUR SOCIETY PLAYED AN INTEGRAL ROLE IN THE PASSAGE OF THE WEEKS ACT AND THE CREATION OF THE WHITE MOUNTAIN NATIONAL FOREST IN NEW HAMPSHIRE AND MAINE. NOW, IN THAT SAME SPIRIT, WE SEEK YOUR SUPPORT FOR THE PROTECTION OF 10,500 KEY ACRES THAT PENETRATE AND ABUT THE WHITE MOUNTAIN NATIONAL FOREST. WE REQUEST THAT $3.9 MILLION BE APPROPRIATED FROM THE LAND AND WATER CONSERVATION FUND TO ACQUIRE THIS LAND FOR THE NATIONAL FOREST.

WHY IS ACTION DURING THIS SESSION OF CONGRESS SO URGENTLY NEEDED?

⁑ FIRST, WE DO NOT HAVE THE LUXURY OF WAITING FOR NEXT YEAR. NATIONAL FOREST LAND CAN ONLY BE BOUGHT WHEN THERE IS A WILLING SELLER. WE MUST ACT NOW BECAUSE WE HAVE FOUR OUTSTANDING PARCELS ON THE MARKET AND FOUR WILLING SELLERS.

⁑ SECOND, EVEN IF WE WERE TO HAVE ANOTHER OPPORTUNITY TO BUY ONE OF THESE PARCELS IN THE FUTURE, IT WOULD BE AT A MUCH HIGHER COST TO THE AMERICAN TAXPAYER.

⁑ THIRD, THESE PARCELS ARE IN IMMINENT DANGER OF DEVELOPMENT AND OTHER FORMS OF MISMANAGEMENT. THE EFFECTS ON THESE PARCELS, ABUTTING NATIONAL FOREST LAND, AND WATERSHEDS DOWNSTREAM, WOULD BE ESSENTIALLY IRREVERSIBLE.

THE WHITE MOUNTAIN NATIONAL FOREST IS WITHIN A DAY'S DRIVE FOR 75 MILLION PEOPLE. IT IS ONE OF THE MOST INTENSIVELY USED NATIONAL FORESTS IN THE COUNTRY. FOR THESE REASONS, WE PROPOSE THAT CONGRESS APPROPRIATE THE FUNDING TO ACQUIRE THE FOUR TRACTS OF LAND, DESCRIBED AS FOLLOWS:

PINE MOUNTAIN

THE 4,700 ACRE PINE MOUNTAIN TRACT IS NORTH OF PINKHAM NOTCH, THE HUB OF MUCH OF THE RECREATIONAL ACTIVITY IN THE WMNF. THIS PRIVATE LAND IS SURROUNDED ON THREE SIDES BY THE NATIONAL FOREST AND IS ENTIRELY WITHIN THE FOREST'S PROCLAMATION BOUNDARY. THIS TRACT HAS 2.6 MILES OF FRONTAGE ON ONE OF THE MAJOR TOURIST HIGHWAYS IN THE NORTHEASTERN U.S. ON THE LEFT RISE THE DRAMATIC SHOULDERS AND PEAKS OF MOUNT WASHINGTON AND THE PRESIDENTIAL RANGE - HEART OF THE WHITE MOUNTAINS.

RISING TO THE RIGHT IS THE CARTER RANGE, FROM WHICH HIKERS ON THE FAMOUS APPALACHIAN TRAIL CAN VIEW THE PINE MOUNTAIN TRACT. IT DOES NOT TAKE MUCH OF AN IMAGINATION TO ENVISION TRAIL HEADS AND CAMPGROUNDS THAT WOULD CREATE NEW RECREATIONAL OPPORTUNITIES FOR THE MILLIONS OF VISITORS THAT SEEK OUT THE FOREST EACH YEAR. THE LAND ALSO SUPPLIES VALUABLE FOREST PRODUCTS AND WATER THAT SUSTAIN COMMUNITIES AND INDUSTRIES DOWNSTREAM. THIS TRACT HAS BEEN A HIGH PRIORITY FOR ACQUISITION ON FOREST SERVICE LISTS FOR YEARS.

ALREADY, A FEW HOUSES HAVE BEEN BUILT ON THE LAND ALONG THE ROAD. LARGER SUBDIVISIONS ARE BEING PREPARED FOR THE PROPERTY. THIS IS PRIME RESORT, COMMERCIAL, AND SECOND HOME LAND. UNLESS CONGRESS ACTS TO ACQUIRE THIS LAND THIS YEAR, IT WILL PROBABLY BE LOST FOREVER.

VIRGINIA LAKE

THE VIRGINIA LAKE TRACT IS ON THE SMALL SECTION OF THE WMNF THAT IS IN MAINE. THE 1,700 ACRE TRACT IS ALSO WITHIN THE PURCHASE UNIT BOUNDARY, AND IS SURROUNDED ON THREE SIDES BY THE WMNF. FROM THE LAKE SHORES, THERE ARE MARVELOUS VIEWS OF UNSPOILED VIRGINIA LAKE, CRADLED BY PROMINENT RIDGELINES. OTHER LAKES IN THE AREA ARE CROWDED BY SMALL CAMPS, BUT VIRGINIA HAS ESCAPED. THE ONLY STRUCTURE ON HER SHORES IS A GRAND OLD HUNTING LODGE. IT HAS TREMENDOUS POTENTIAL AS A PUBLIC EDUCATIONAL FACILITY.

IF THIS LAND IS ACQUIRED, VIRGINIA LAKE WOULD BECOME THE LARGEST LAKE IN THE WMNF. IT WOULD PROVIDE SCARCE WATER-BASED RECREATIONAL OPPORTUNITIES AS WELL AS ACCESS TO THE EXISTING TRAIL NETWORK. THE LAKE, BOGS, AND FORESTLAND PROVIDE IMPORTANT HABITAT FOR LOONS, MOOSE, AND BOBCAT.

PILOT RANGE

FARTHER TO THE NORTH IN NEW HAMPSHIRE IS THE PILOT RANGE. IT DOMINATES THE FLAT CONNECTICUT RIVER VALLEY FARMLAND. THE 3,800 ACRE WESTERN FLANK OF THE RANGE IS UNDER TWO PRIVATE OWNERSHIPS, BOTH OF WHICH ARE UP FOR SALE. THE BULK OF THESE TWO PARCELS LIES OUTSIDE OF THE PROCLAMATION BOUNDARY. ONLY THE EASTERN SLOPES OF THE RANGE LIE WITHIN THE WMNF. HERE THE PROCLAMATION BOUNDARY IS EXTREMELY IRREGULAR AND ILLOGICAL. IN PLACES IT DOES NOT EVEN INCLUDE THE RIDGELINE.

EXCESSIVE TIMBER HARVESTING ON THESE STEEP SLOPES COULD POLLUTE AND DEPLETE THE MANY PUBLIC AND PRIVATE WATER SUPPLIES BELOW. PROMINENT CLIFFS PROVIDE A RARE, HIGH POTENTIAL NESTING SITE FOR ENDANGERED PEREGRINE FALCONS. THIS IS SOME OF THE WILDEST AND FINEST HUNTING, FISHING, HIKING, AND SNOWMOBILING TERRITORY IN NEW ENGLAND.

WE HAVE BEEN WORKING CLOSELY WITH THE LANDOWNERS INVOLVED AND HAVE SECURED COMMITMENTS FROM THEM TO HOLD THEIR LAND OFF THE MARKET UNTIL THIS SUMMER. AT THIS TIME WE SHOULD HAVE A GOOD INDICATION FROM CONGRESS AS TO THE LIKELIHOOD OF FEDERAL ACQUISITION. IN ADDITION, SUPPORT FROM LOCAL RESIDENTS HAS BEEN STRONG. THE PROPOSED NATIONAL FOREST ACQUISITIONS WERE APPROVED BY VOTERS AT THE MARCH, 1984 TOWN MEETINGS IN THE FOUR TOWNS WHERE STATE STATUTES REQUIRED VOTES TO BE TAKEN.

WE TRUST THAT CONGRESS WILL CONCUR WITH THE AREA'S RESIDENTS. TODAY WE HAVE A NOW-OR-NEVER OPPORTUNITY TO PRESERVE SOME OF THE MOST PRECIOUS NATURAL RESOURCES OF NEW ENGLAND BY INCLUDING THEM IN THE WHITE MOUNTAIN NATIONAL FOREST.

THANK YOU FOR YOUR CONSIDERATION.

STATEMENT OF STEPHEN K. RICE, DIRECTOR, NORTH COUNTRY OPERATIONS, APPALACHIAN MOUNTAIN CLUB, GORHAM, N.H.

Mr. Chairman, members of the Committee on Appropriations, I am Stephen K. Rice of North Conway, New Hampshire, Director of North Country Operations of the Appalachian Mountain Club (AMC). I am pleased to have the opportunity to recommend that $3.9 million from the Land and Water Conservation Fund be appropriated to acquire critical lands for the White Mountain National Forest (WMNF).

The AMC is a nonprofit organization of 33,000 members, located principally in the northeastern states and organized 108 years ago to establish and manage protected land areas and waterways to preserve their natural integrity and to provide public, non-motorized, outdoor recreational opportunities.

Today, the AMC's volunteer commitment to the White Mountain National Forest (WMNF), provided in close cooperation with the U.S. Forest Service, includes maintenance of 270 miles of trail and 17 backcountry shelters; operation of the renowned hut system along the Appalachian Trail; diverse public information and education programs; a research program focusing on planning and problem-solving related to backcountry management; and search and rescue activities.

The AMC's origins are firmly rooted in the White Mountains of New Hampshire and Maine. For 35 years after the Club's founding, members explored and mapped the region, produced guidebooks, and cut the first hiking trails. Then, in 1911, the AMC joined with the Society for the Protection of New Hampshire Forests (SPNHF) and a great many New Englanders in working to secure passage of the Weeks Act which established the White Mountain National Forest through creation of the Eastern National Forest system.

The broad public constituency Congressman John W. Weeks assembled on behalf of the legislation which bears his name is alive today, stronger than ever. With less than 1% of the land-base in the Northeast in public ownership, we who live there value what little National Forest we have, and are committed to its protection and sound management. Because of this abiding public interest it is no wonder the WMNF in New Hampshire and Maine is one of the "flagship" National Forests, nationally recognized as having achieved one of the best land management planning efforts and citizen involvement programs in the National Forest system.

The 753,000-acre WMNF lies within a day's drive of some 75 million people. Despite the heavy public demand, the WMNF is able today to provide high quality recreational experiences to the more than 5,500,000 people who visit the Forest annually. This is due in large measure because the people who use the WMNF have consistently supported the additions of many key tracts to the Forest. Unlike conditions in the West, Eastern national forests out of necessity have been acquired on a piecemeal basis, tract-by-tract, year-by-year. While much progress has been made in acquiring land for the WMNF, the job is far from done. A map of the WMNF remains a checkerboard of green and white, green indicating Forest Service ownership and white representing over 80,000 acres of remaining private land inside the Proclamation Boundary.

Since the Forest Service acquires new forest acreage on a willing-seller basis, by definition the goal of filling-out National Forest ownership in the East is a slow, painstaking process that must span many years. When desirable land does become available, however, the Forest Service must move swiftly to acquire it before the land is sold to another private owner.

Today, an opportunity exists to purchase on a willing-seller basis four outstanding tracts for addition to the WMNF. While the shortage of public land in the Northeast provides compelling justification for acquiring these superb areas, perhaps the most important reason is the close match between the qualities these tracts offer and the very purposes for which Congress established the Land and Water Conservation Fund. Note the following specific features:

Pine Mountain Tract

°4,700 acres of prime recreational forest land near Pinkham Notch, in the heart of the WMNF.

°Bisected by N.H. Rt. 16, one of three major tourist routes to the WMNF. Acquisition would protect the superlative viewing along 2.6 miles of developable road frontage enjoyed by hundreds of thousands of annual visitors.

- °Would protect several key "feeder" trails to the famous Appalachian Trail, which follows the Carter Range ridgecrest just above the eastern boundary of the tract.
- °Would protect public access to the Peabody River which provides excellent excellent fishing and swimming opportunities for local residents and visitors alike.
- °Would protect the slopes of Pine Mountain, a popular day-hike destination offering one of the best vantage points for viewing the northern Presidential Range and the Carter Range, and southern Mahoosucs.
- °Would preserve a substantial tract of timberland watershed, and wildlife habitat for long-term public benefit.
- °Would increase access and create new recreational opportunities in this heavily used area for hiking, cross-country skiing, snowmobiling, and camping.

Virginia Lake Tract

- °Includes 1,740 acres of forest land, comprising over 90% of the watershed for mile-long Virginia Lake. This pristine water body, cradled by low mountains, is one third larger than the largest existing lake on the WMNF.
- °Virginia Lake is highly unusual in that its shore is undeveloped, except for one grand old seasonal home. However, it does provide road access for a small boat launch at the south of end of the lake. The home is in excellent condition and offers outstanding potential as a public educational-interpretive facility.
- °Several key trails providing access to the proposed Caribou-Speckled Wilderness Area would be protected. Cross-country skiing and snowmobiling would also be enhanced.
- °The tract contains two bogs of ecological significance, habitat for wildlife such as loons, moose and bobcat, and views of Speckled Mountain, one of the highest points within the WMNF in Maine.

Pilot Range Tracts

- °Would protect the 3,800-acre western flank of the Pilot Range, now under two private ownerships.
- °Includes three brook drainages which serve as water supplies for towns of Groveton and Lancaster.
- °Would round out a jagged and illogical WMNF boundary, which presently flip-flops back and forth across the nearly 4,000' elevation Pilot Range ridgeline.
- °Would protect this remote and wild portion of the Kilkenny Region as a place for outstanding "primitive" recreation.
- °Would protect the vulnerable southwestern slopes of the range from indiscriminate timber harvesting and development.
- °Property contains a sheer, 500' granite cliff offering high potential nesting sites for endangered peregrine falcons.

Over the past several months AMC and SPNHF have pursued acquisitions of these key tracts as top organizational priorities. We have held numerous meetings with landowners, selectmen, and citizens of the affected towns. We have sponsored field trips to the properties to give interested individuals a first-hand understanding of the importance of acquiring these tracts. Further, we have met with a number of interested organizations in New Hampshire and Maine and have received their enthusiastic support.

In March, 1984 town meetings, the Towns of Stark, Northumberland and Lancaster, N.H. voted overwhelmingly to approve the sale of the Pilot Range tracts to the U.S. Forest Service. Likewise, the Town of Stoneham, Maine voted enthusiastic approval of Forest Service acquisition of the Virginia Lake Tract.

In New Hampshire, the Ad Hoc White Mountain National Forest Advisory Committee (Advisory Committee) is on record as being unanimously in favor of the acquisition project. This Advisory Committee, of which the AMC and SPNHF are members, represents a diverse group of WMNF users, from developed recreation interests and the timber industry to hikers, cross country skiers, and snowmobilers. The White Mountain National Forest Wilderness Act (H.R. 3291) passed by the U.S. House last November and now pending in the Senate is largely the result of considerable hard effort by the Advisory Committee.

In Maine, this acquisition project enjoys the solid support of the Maine Audubon Society, the Natural Resources Council of Maine, and the Maine Chapters of the Nature Conservancy and the Appalachian Mountain Club.

We hope and trust that the Senate will recognize this critical opportunity to add key lands to the WMNF. Millions of annual visitors to the WMNF will benefit substantially should these prime tracts become part of the public domain.

Thank you for this opportunity to comment.

Statement of S. R. Hart, Jr., Vice President, Research and Development of Southern Company Services, Inc., Birmingham, Ala.

Introduction

Thank you. My name is S. R. Hart, Jr. I am Vice President, Research and Development of Southern Company Services, Inc. (SCS) Birmingham, Alabama. Responsibility for the present contract with the U.S. Department of Energy (DOE) Contract Number DE-AC22-82PC50041 for operation of the Wilsonville Advanced Coal Liquefaction Research and Development Facility resides in my department in SCS.

The purpose of my testimony today is to justify the continued operation of the Wilsonville facility through completion of the presently planned program and to request funding of approximately $7.5 million for Wilsonville in the DOE Fossil Energy Budget for FY'85. In support of this request, this testimony presents information about the Wilsonville facility and its role in developing the solvent refined coal (SRC) process.

Summary

The Wilsonville Advanced Coal Liquefaction Research and Development Facility has made a significant contribution to advancing coal liquefaction technology. Current programs which are planned through 1986 would advance this technology to a state of readiness for commercial application which could have very large benefits in the event of disruptions to current oil supplies. Although meaningful research on coal liquefaction could continue at Wilsonville beyond 1986, it appears that the major objectives can be reached by the end of 1986. Therefore, unless there is a drastic change in the nation's outlook for oil or redirection from DOE and the Electric Power Research Institute (EPRI), the plans for Wilsonville will include completion of the important work currently underway followed by an orderly shutdown of the facility at the end of 1986.

Need for Coal Liquefaction Technology

A study released by the Congressional Research Service in September 1983, estimated the effects of a one-year cutoff of Persian Gulf oil supplies. That study estimated that such a cutoff in 1982 would have caused the world price of crude oil to increase from $34 per barrel to the range of $66-to-130 per barrel, depending upon the price elasticity of demand for oil.

A recent report by the National Research Council urges the Department of Defense to build a facility to produce synthetic fuels. That report indicates that shortages of synthetic fuels may delay the development and testing of new jet engines for the Department of Defense. The availability of alternatives to petroleum is important to both the economic and military security of this nation.

The present price of crude oil makes petroleum less expensive than coal-derived liquids. However, as noted above, the loss of Persian Gulf oil supplies could cause the price of crude oil to double or triple in a few months. The finite and limited reserves of petroleum insure that the price of oil will increase eventually.

The most important reason to develop the technology for producing coal-derived liquids is to have that technology available when the supplies of petroleum at acceptable prices do not meet the nation's needs. However, it is also important to note that the use of coal-derived fuels could have a beneficial effect on the environment. The average sulfur content of crude oil is increasing. Coal-derived liquids are lower in sulfur than many of the lower quality petroleum-based residual fuel oils being used by utilities today.

The price of crude oil is not determined by the cost of production or by the normal economics of supply and demand. Crude oil and its pricing are political tools and the risks caused by the political use of crude oil supply are too great for industry to undertake the development of alternatives alone.

Status of Technology Development

Research and development of coal liquefaction technologies accelerated rapidly after the 1973 oil crisis. An ambitious program to build large pilot plants and demonstration plants was started. The present administration has expressed a different view of the federal role in synthetic fuels and wants to limit federal activities to small-scale research and development on high risk technologies. The attitude of the present administration, the worldwide recession, and the resulting stabilized oil prices, have caused most synthetic fuels projects in the United States to be abandoned. The large pilot plants for the Exxon Donor Solvent process, the H-Coal process, and the SRC-II process have been shut down and dismantled. For practical purposes the demonstration plant program is dead.

The attitude of the present administration toward development of alternative fuels technology to reduce United States dependence on imported oil is not shared by other nations.

The Japanese government has been carrying out work on the technical development of coal liquefaction and gasification since 1980. The New Energy Development Organization (NEDO) is a Japanese governmental body which is supported by both the Japanese government and Japanese industry. A NEDO report dated March 1983 states that although the adequate supplies of oil at stabilized prices have given some immediate relief, they believe that they should proceed with the development of technology as before.

The recent decreases in energy prices apparently will not keep the European Community (EC) from its long-term goal of cutting dependence on imported oil by diversifying its energy sources. A five-year energy plan recently put forth by the EC Commissions reflected a continuing commitment to that goal.

Government and industry in South Africa continue to utilize and develop coal liquefaction technology. There, the SASOL II and SASOL III complexes produce over 70,000 barrels per day of gasoline and diesel fuel from coal. This is more than half of that nation's supply of motor fuel. The indirect liquefaction technology used by SASOL would not be economically viable in the United States.

Wilsonville Accomplishments and Capabilities

The Wilsonville facility consists of three major process areas. The thermal reactor unit with a design capacity of six tons of coal per day began operating with coal in 1974. The Kerr-McGee Critical Solvent Deashing unit was installed and started up in 1978. The hydrotreater unit (second stage ebullated bed catalytic reactor) began operating in 1981. The facility also has laboratories, a data acquisition system, and a state-of-the-art wastewater treatment system.

The Edison Electric Institute (EEI) and The Southern Company system began a joint pilot plant project to study the key steps in the solvent refining of coal in March 1972. The thermal reactor unit at Wilsonville, Alabama, was completed in late 1973. EPRI assumed the responsibilities for utility industry project participation from EEI in April 1973. The U.S. Energy Research and Development Administration (ERDA), now DOE, joined EPRI as a joint sponsor of pilot plant operations in 1976. SCS provides overall project management at no cost to DOE and EPRI. The approximate amounts of funds provided by the participants through 1983 were ERDA-DOE, $41 million; EEI-EPRI, $30 million; and The Southern Company system, $5.3 million.

The Wilsonville facility has become a unique national asset in that it has the broadest capability of any liquefaction pilot plant in the United States, is open for the testing of proprietary technology developed by others at a meaningful scale, and produces sufficient quantities of products for small-scale combustion testing and product upgrading research. The project has consistently run within budget and without significant cost overruns.

Recent activities at the Wilsonville pilot plant have focused on the development of advanced two-stage liquefaction process technology. With two-stage liquefaction, up to 90 percent of the products can be utility fuel products: either distillates to replace No. 2 fuel oil, heavy liquids to replace No. 6 fuel oil, or solids containing no ash and about 0.2 weight percent sulfur.

Recent experience at Wilsonville has shown that integrated two-stage liquefaction (ITSL) can convert approximately 60 weight percent of the coal into clean liquid fuels.

Program Objectives

There are two major reasons for continuing the Wilsonville program. These are (1) to improve the fundamental understanding of the mechanism of direct coal liquefaction and (2) to develop data that can be used by industry to build commercial plants when economics permit.

Previous research at Wilsonville and other coal liquefaction projects has identified those direct liquefaction processes which offer the best potential for commercialization. Development of unit process models will provide better understanding of two-stage liquefaction and will provide a basis for scale-up. Variability studies will be conducted at each of the three process units. Data from these studies will be used to develop the unit process models. The planned program would complete the modeling work by the end of 1986. During 1984 and 1985 a model for the thermal reactor unit, the most complex (from a kinetic viewpoint) and least understood part of the process, will be completed. In 1986 the effect of coal rank on process performance will be determined.

Completion of the program should produce sufficient data to allow industry to scale-up the most important two-stage liquefaction processes to commercial size and to determine the most economical process for any given product slate. If the program is ended before the program goals have been completed, the data obtained to date will lose a significant part of their value.

STATEMENT OF FATHER WILLIAM L. GEORGE, S. J., SPECIAL ASSISTANT TO THE PRESIDENT OF GEORGETOWN UNIVERSITY

I am Father William L. George, S.J., Special Assistant to the President of Georgetown University.

Thank you and your committee for your staunch support of the Coal Fired Atmospheric Fluidized Bed Exemplar at Georgetown University.

Last year I reported that we resolved numerous problems and needed funds to make final changes, replace a number of boiler bank tubes, and prepare the boiler for receiving a high speed turbine.

We replaced the tubes, shortened front and middle baffels to reduce gas flow and replaced 450 of the boiler bank tubes and ball studded the in-bed tubes. When we went on line with the changes, we experienced a higher rate of boiler bank erosion than before at 2,673 hours of operation. We held a meeting with representatives of Department of Energy, Foster Wheeler, Pope, Evans and Robins, T.V.A. and Argon. The conclusion of the meeting was to run a month of experimental configurations to detect the causes and find a solution to the erosion problems. The experimental testing phase has just ended and the data is being evaluated. When the results are available, I'll submit them to the committee.

One fact appears certain, that without replacing tubes, the boiler cannot withstand 625 psi needed to run the turbine. Much has been learned from this demonstration, and after the present data is studied, a fix recommended and completed, the program should be complete. The Department of Energy is interested in the results of the tests as they effect industry concerns with the AFB boiler. The Department's budgets are extremely limited for AFB boiler support. I would ask the committee, if necessary, to grant additional funds to the agency, both in fossil and conservation, for such programs.

On behalf of our President, Rev. Timothy S. Healy, S.J., thank you for the opportunity to testify.

STATEMENT OF PAUL RODGERS, GENERAL COUNSEL, NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS

I. Introduction

This statement is submitted for the record to the Subcommittee on Interior and Related Agencies of the Senate Committee on Appropriations on behalf of the National Association of Regulatory Utility Commissioners, commonly referred to as the NARUC.

The NARUC is a quasi-governmental, nonprofit organization founded in 1889. Within our membership are the governmental agencies of the fifty States and the District of Columbia, Puerto Rico and the Virgin Islands engaged in the regulation of utilities and carriers. Our chief objective is to serve the public interest by seeking to improve the quality and effectiveness of government regulation.

The members of the NARUC greatly appreciate the opportunity to present our views on appropriations for the Department of Energy (DOE) Weatherization Assistance Program. The Weatherization Assistance Program is administered under DOE's Conservation Grants Program. The program is an energy conservation program that provides Federal funds to State and local governments to be used for the provision of labor and materials required to make the dwellings of low income persons energy efficient. Unfortunately, funding for this program has been insufficient in the past and the budget request for fiscal year (FY 1985 once again fails to meet the programs needs.

In FY 1983 $245 million was appropriated for the weatherization program and for FY 1984 the funding dropped to $190 million. The budget request for FY 1985 remains at $190 million. With the rising cost of both gas and electric heat and with the severity of this past winter, it is unrealistic to expect $190 million to be sufficient funding, when it has proved inadequate in the past.

In studying the problem, the NARUC Ad Hoc Committee on Energy Conservation has concluded that one of the greatest deficiencies in energy conservation at present is in the area of consumer awareness. With increased funding the Weatherization Assistance Program can concentrate a substantial portion of its efforts on educating the consumer as to how to take advantage of conservation measures. The weatherization program, with sufficient funding, can attack the root of the problem by improving energy conservation and thus creating lower utility bills down the road.

Another assistance program for low income individuals is the Low Income Home Energy Assistance Program (LIHEAP) administered by the Department of Health and Human Services, however, its funds are basically earmarked for relieving the burden of high utility bills. States are given discretion to use only up to 15% of their Federal funds under LIHEAP for weatherization conservation measures. Once the LIHEAP funds are distributed among 50 States, there is so little available per State that the States usually are compelled to use 100% of the LIHEAP funding to pay utility bills rather than pursuing conservation measures such as weatherization. This emphasizes the need for the separate Weatherization Assistance Program with its own level of funding sufficient to meet its objectives.

In the past the weatherization program has been funded at approximately one tenth of what the LIHEAP receives. Like LIHEAP, once $190 million is divided among all the States there is very little money for a State to work with. With a greater level of funding the States could begin to educate the consumer at the inception of the problem of high utility bills by teaching the consumer to help himself through energy conservation.

We respectfully urge the members of the Subcommittee to appropriate funds for the DOE's Weatherization Assistance Program at a level above the Administration's $190 million request.

STATEMENT OF DAVE BROWN, PRESIDENT, BOARD OF DIRECTORS, MHD INDUSTRIAL FORUM

I am submitting testimony in support of a continuing national Magnetohydrodynamics (MHD) program directed toward commercializing this technology as soon as possible. However, in deference to the newly appointed Assistant Secretary for Fossil Energy, William Vaughan's invitation to the MHD Industrial Forum and the Edison Electric Institute's MHD Utility Task Force to work with

DOE on a national MHD development program, we ask to reserve our final position on program direction and funding. Industry still supports a $40 million DOE FY 1985 MHD program over DOE's $17.8 million budget request.

The FY 1985 budget request of the Administration for developing MHD power generation is a most welcome change from past years. We are particularly pleased that the changes in high level department personnel have included individuals who recognize the importance of fossil energy and coal. Recent discussions with William Vaughan have been very positive and encouraging. This is not only because of his apparent positive attitude toward development of the MHD technology and fossil energy in general but also because of his desire to involve industry in the planning of the Department's MHD program. It is most unfortunate, however, that DOE planners did not seek the counsel of industry prior to proposing a program intended to place the private sector in a position to commercialize the MHD technology.

While the Forum is very positive about DOE's MHD program direction and the new Assistant Secretary's request for industry involvement, we must point out for the record the problems with the FY 1985 budget submission. Unfortunately, the budget and plan which Mr. Vaughan inherited from his predecessor (which is contained in the budget before this Committee) was not presented with a continuing national MHD program in mind, especially given the low budget request and the requirement for fifty percent private cost share as a pre-condition for continuing the present program. The proposed multiyear program concept is essential. However, the technical portion (Phase I) of the plan ignores the state of the MHD technology. The purpose of the Phase I scientific research program appears to emphasize the basic research activities which were the focus of the program in the early 1970's rather than the research needed to support the engineering scale-up required at this stage of MHD technology development. The proposed Phase I concentrates on the wrong problems. The proposed Phase II 80 Mw thermal integrated test facility (ITF) operation would presumably abort all ongoing work at the 50 Mw thermal scale at the Component Development and Integration Facility (CDIF) and supporting component manufacturers just at the time when the first critical coal fired topping cycle tests are being initiated. In addition, the ongoing bottoming cycle test program at the Coal Fired Flow Facility (CFFF) may be discontinued in mid-stream. If true, these terminations would be a tragic waste of the more than $300 million that has been invested to date just to get that test data. An integrated test facility at the 80 Mw thermal level as an end to the government program will not meet the needs of the utility industry, nor meet the government's goal of developing an adequate knowledge base that will enable private idustry to apply the technology. The proposed program cost estimates are so low that a cost overrun is guaranteed.

While this is not the place to go into a detailed technical evaluation of this plan (which we are doing with the department), a quick overview of DOE plan deficiencies will be useful. The DOE Phase I scientific research program proposal identifies a variety of technical issues associated with MHD which it indicates must be resolved. In fact, the budget description of these issues appears to be a cut-and-paste job of old documents found around the office. Let me address some examples. The development of high temperature air heaters is identified as a critical problem. The fact is high temperature air heaters will not be needed for first generation MHD plants, since the high temperature requirements can be met using oxygen with little or no economic impact to plant operation. Design and operating conditions required to suppress ash fouling effects were identified as a critical scientific problem when in reality, they are engineering questions which are being resolved at the Coal Fired Flow Facility (CFFF) at the University of Tennessee. The recovery and regeneration of potassium salts and seed are also engineering problems whose solution the CFFF was designed to provide.

Coal combustors and channels were identified as areas needing research to obtain data on erosion, corrosion, combustion kinetics for different coal types. These again are engineering questions which cannot be resolved through small scale tests. They must be resolved through engineering testing in facilities such as those presently being used at Avco, TRW and the CDIF. Superconducting magnet technology is well established and "additional" research is not needed. A superconducting magnet needs to be designed for use in a large scale MHD power plant, but this is not critical and can be delayed. Current consolidation, power conditioning and inverter circuitry have worked well at Avco and the CDIF. While improvements are desirable in all the above areas, the state of the art of all these systems is sufficiently advanced and none are "show stoppers" for achieving early commercial MHD plants.

The accomplishments which the new DOE FY 1985 plan calls for would be of "scientific" interest but of little engineering value. They address problems that already have been solved and do not allow for proceeding with the more pressing MHD technology engineering questions. For example, efforts like the following must be completed as quickly as possible: completion of the coal combustor at TRW and its installation at the CDIF for coal-fired testing; continuation of coal-fired MHD channel testing at Avco's 20 Mw thermal test facility; provision of the necessary equipment and operating funds to the CFFF to enable that important facility to complete seed regeneration, environmental control technology engineering development and other critical bottoming cycle development.

The results of CFFF engineering, the channel work at Avco, the TRW combustor effort and diagnostic and instrumentation control equipment work at Mississippi State University need to be integrated quickly into the CDIF as the final step before any near commercial demonstration. The DOE MHD plan for FY 1985 ignores the well thought out merits of its existing program and contemplates taking no advantage from several years of progressive and productive MHD technical work.

The concept of an integrated test facility (ITF) is strongly supported by the industrial and utility sector. However, a scale of 80 Mw thermal as proposed in DOE's Phase II is not much larger than the present 50 Mw thermal test capability at the DOE CDIF. Yet the proposed 80 Mw thermal ITF project is likely to require as much as $200 million over several years. It is simply unnecessary and would needlessly stretch out program schedules and greatly increase program costs without any significant gain. Key MHD phenomena that are difficult to observe at a 50 Mw thermal scale will still be difficult to identify at 80 Mw thermal.

The utility industry in a study recently completed for the State of Montana Department of Natural Resources and Conservation outlines a set of performance requirements which must be met before the utility industry could, with reasonable expectation, proceed with commercialization of the MHD technology. An integrated system test at the 80 Mw thermal scale will simply not meet these requirements. While some additional risks are involved in going from the present scale of testing to a facility on a scale of 350 Mw thermal (the 1983 MHD Forum's proposed approach), the resulting reduction in overall program costs and development time would justify these technical risks.

If the DOE view is that an intermediate scale integrated system test is needed to minimize government involvement programmatically and financially and yet reach a reasonable technical end to Federal government activity, the intermediate unit should still be configured and operated as a retrofit at an actual electric utility site. The size of that retrofit should perhaps be at some appropriate intermediate scale between the DOE proposed 80 Mw thermal (20 Mw electric) and the Forum's and utilities recommended 350 Mw thermal (120 Mw electric) size plant. Before deciding on the final size a more detailed analysis should be conducted relative to specific requirements at appropriate utility sites. From a scientific and engineering viewpoint this will allow the critical MHD phenomena to be studied in a long duration, slagging environment (which should be a major scientific objective of the Federal program) and yet be representative of a projected commercial plant environment. If the DOE proposed program objective is indeed to take the technology to a logical Federal conclusion (as stated in the FY 1985 DOE budget request), the successful operation of a cost shared integrated test facility by industry in a "real world" electric utility environment would be a minimum requirement.

The DOE fifty-fifty cost share was unilaterally proposed by DOE. This is an issue which must be jointly resolved between DOE and industry. That percentage cost share seems inappropriate for a technology at this early stage of engineering development, particularly in a government owned facility as proposed by DOE which has little potential for utilities to gain the necessary industrial operating experience. A more logical approach will provide a better vehicle for industrial financial participation and will attract greater industrial and utility interest.

Mr. Chairman, it is most unfortunate that whoever developed the DOE FY 1985 MHD plan did not take into consideration the strategy which was completed for the MHD Industrial Forum over several months in 1983 by a committee of distinguished representatives of the utility industry, its suppliers, the MHD development community and architect and engineering firms specializing in the construction of utility plants. In preparing the MHD Forum's strategy for commercialization, we took great care in selecting committee members who had considerable MHD expertise and extensive experience in developing and costing power plants for utilities. As a consequence I am confident that both strategy and cost estimates as they appear in the Forum strategy are the best available. You will also note that industry volunteered to assume thirty to forty percent of the cost of the retrofit program.

I might point out that the DOE plan before you also ignores the findings of its own study conducted by Gilbert Associates in compliance with the FY 1983 Continuing Resolution. The recent DOE Inspector General's report on the MHD program contradicts the Departments proposed FY 1985 MHD program approach. That report also pointed out policy level management problems at DOE contrary to Congressional direction while finding MHD program level management and technical progress were positive.

The MHD community has begun and will continue meeting with Assistant Secretary Vaughan and his representatives at his invitation in the coming weeks to work out a program on which the department and industry can agree. While we believe the Committee must understand the negative nature of the Department's proposed MHD program direction, we believe the proposed budget request of $17.8 million is a step in the right direction, and we are most positive towards the Assistant Secretary's desire to work together.

We would ask the Committee's indulgence to allow us to present further written testimony in late May as to the success of industry's discussions with DOE.

We appreciate this opportunity to present written testimony for the record and will be available to discuss the FY 1985 DOE MHD program budget at your request. Your continued support of the MHD program would be most appreciated.

STATEMENT OF RALPH L. SMITH, CHAIRMAN, COMMITTEE ON ENHANCED OIL RECOVERY, VICE PRESIDENT, BARTLESVILLE AREA CHAMBER OF COMMERCE, OKLA.

INTRODUCTION

A major national problem, becoming acute in certain states, is not being addressed. The problem is steadily declining domestic crude oil production with its attendant loss of local economic activity and detriment to our national security.

Despite a four-fold increase in real prices of crude oil in the past decade and a doubling of exploratory drilling, oil production in the contiguous states has declined 25%. The simple truth is that, without a significant change in these trends, the domestic petroleum extraction industry is dying, different only in time from steel, consumer electronics, and automobiles in increased reliance on imports.

Oil producing states, recently flush with economic vitality, will follow Appalachia and the heavy industrial states into economic stagnation, unemployment, high social service costs, and decreasing tax bases (severance and income) to deal with these problems.

The reality of this problem is underscored by the recent spate of proposed and actual oil company mergers. The major operators know that it is substantially cheaper to buy someone else's reserves than to find new reserves of their own. While this may benefit the companies' stockholders and a number of corporate lawyers and investment bankers, it adds no new reserves, decreases competition, increases already difficult pressures on credit markets and interest rates (and hence, probably inflation), and decreases state and Federal income tax revenues.

The only truly critical energy problem in the U.S. today is that we cannot domestically produce enough liquid transportation fuels to meet our economy's demands. Unless something significant is done -- and soon -- the gap between demand and domestic supply can only widen -- increasing the reliance on imports that lies at the heart of the nation's energy, economic, diplomatic, balance of payments, and military problems.

This dire prediction belies the fact that more than 300 billion barrels of crude oil will be abandoned in known U.S. reservoirs at the conclusion of conventional primary and secondary recovery. This is twice as much as has been and will be conventionally produced from these reservoirs. The remaining oil, unlike that produced by conventional means, exists in a very different state, trapped in the reservoir rock by a variety of complex mechanisms.

Producing a portion of this "residual oil" is the objective of enhanced oil recovery (EOR), a number of sophisticated, high-risk production technologies. EOR is the only approach that can offer the "significant change" described above -- the only way to offset or defer the otherwise inevitable precipitous decline in domestic crude oil production.

Enhanced oil recovery may also be able to offer a significant contribution to our strategic energy preparedness. Currently, there is a gap in plans to meet oil shortages of an intermediate duration (1+ years). Near term, acute shortages are covered by the strategic petroleum reserve now being accumulated. Long-term supply disruptions are addressed by alternative fuel projects. Both of these programs receive billions of Federal dollars annually in on- and off-budget outlays. This vulnerability to intermediate term shortages of transportation fuels can be addressed by EOR research.

These two aspects of EOR research are addressed in this statement:

- Its impact on local economies; and
- Its potential role in energy security.

BACKGROUND

Three major engineering/economic studies in the latter 1970s predicted that EOR could substantially offset or stop the decline in domestic production at prevailing crude oil prices -- provided that sufficient R&D was done to make these complex processes predictable and effective enough to permit operators to use them. None of these projections have been proven by time. Enhanced oil recovery has not responded to the significant economic incentives that have been provided. This lack of response is due to the absence of a fundamental understanding of the residual oil resource and the mechanisms for recovering it. The reason that the three earlier studies' projections have proven wrong is that the necessary research to produce this fundamental understanding has not been done.

A fourth major study, by the National Petroleum Council (NPC -- an industry advisory panel to the Secretary of Energy) will be released this spring. It also predicts EOR production in the 1-2 million barrels per day range within the next decade. However, it also presumes that the needed R&D will be performed, that it will be successful, and that the resultant technology will be applied.

Certain analysts, nearly all in Federal bureaucracies, have argued that EOR is currently commercial because some EOR is being produced. They have overlooked the fact that only ten U.S. counties with particularly favorable reservoirs account for essentially all EOR; Kern County, California, alone accounts for 61% of the U.S. total. The reservoirs of these counties are not typical of the full residual oil resource base. But, based on the misunderstanding by these analysts and the absence of testimony to the contrary, adequate, stable funding has not been provided for Federal EOR research.

Given this lack of understanding by our lawmakers, the absence of an organized oil-state coalition, the presence of well-organized coalitions for other fuels, and a variety of other institutional and political reasons, the nation's focus in energy research has been and continues to be on sources other than oil (e.g., coal, nuclear, electric, and synthetics). While each of these energy sources is important, they will not make a significant, cost-effective contribution to the transportation sector in this century. Displacing of liquid fuels is unlikely; petroleum burned by utilities -- today mostly coke -- accounts for only 7% of utility fuels. Through their rate-payer-supported research consortia, and friends in Congress, gas and electric utilities are lobbying hard for increased Federal research. At the present time, Eastern coal states and the electric power industry are proposing a five-year, guaranteed doubling of commitment to coal research. Gas interests are arguing for substantially increased funding for unconventional gas research.

By contrast, EOR directly addresses the central energy problem by increasing domestic production from known reservoirs, improving our response capability to import disruption, and holding the potential for restoring production to the domestic oil industry and the oil-producing states. Unlike the utilities, however, there is no petroleum research consortium or public coalition to carry the message.

Further, no witness appearing before the authorizing subcommittee stressed the need for R&D in EOR, while all of the other energy sources are extensively represented. This anomaly is similar to the absence of testimony on EOR last year and in most previous years from the industry, the affected states, or the research community. This does not mean that there is no recognition of the problem. The larger oil companies have invested heavily in EOR. However, as with mergers, their production decisions are based on existing oil economics, not long-term public needs. Most of these companies are involved in offshore and foreign exploration and with other, more predictable technologies to increase their reserves, some even at higher costs (e.g., off-shore Alaska). The issues involved in EOR are apparently too complex for the smaller producers or individual states to address effectively.

The results over the last two years were devastating reductions in EOR funding based on the incomplete understanding of the problem. This was done while essentially all other fossil energy research budgets were increased relative to Administration requests. The simple reason was lack of vocal support, generally based on lack of understanding of the problem and the potential.

The Administration has proposed an EOR research budget for $12.2 million for Fiscal Year 1985 (plus an additional $1.2 million for tar-sands, for a total of $13.4 million). While this is an increase over 1983 and 1984, it is much lower than earlier budgets, and it does not fully meet the most urgent R&D requirements. The proposed level permits only minimal research efforts by universities and National Laboratories, and no substantial cooperative arrangements with the states or industry. It does, however, meet the obligation to the defederalized cooperative agreement partner, the National Institute for Petroleum and Energy Research.

In our view, the Administration's request is too low by at least $6 million, even given current deficits. Adding these funds would permit full funding of the vital university and National Lab programs; permit more active cooperation with industry and the individual states; and support a full feasibility study of using EOR as an emergency resource. Our larger concern, however, is that history will be repeated: that in the absence of testimony or Administration emphasis, this authorization and appropriation process may cut this program even below the Administration's individual request. This cannot be permitted to happen.

If, given the problem of the deficits, fossil energy research budget reductions are necessary, they should not be in the area where the national and state problems are most acute -- petroleum -- they should be made where the problems are substantially less pressing. Our most critical problem is not how to burn coal or gas in utility boilers; it is how to sustain a vital domestic industry, support important state economies, and reduce reliance on and vulnerability to imports.

The attached briefing paper provides more details on the problem and the Federal R&D program in EOR.

THE ECONOMIC IMPACT ON THE STATES

The problem of declining oil production is becoming particularly acute in the major producing states. All, except California (assisted by thermal enhanced recovery of heavy oils) and Alaska (blessed with the largest field in the Western Hemisphere, which is itself about to begin to decline), have suffered significant decreases in production in the decade 1972-1982 (the latest years for which data are available), for example:

- o Mississippi by 55%
- o Louisiana by 45%
- o New Mexico by 35%
- o Texas by 29%
- o Oklahoma by 24%
- o Illinois by 21%
- o Utah by 16%
- o Wyoming by 16%

Essentially all producing states, including California and Alaska, have experienced declines in reserves. For ten producing states -- Oklahoma, Kansas, and nearly all states east of the Mississippi -- more than half of 1982 production was from marginal, "stripper" wells, averaging only 2.9 barrels per day, obviously approaching abandonment. In response to price increases, domestic exploration has doubled but the average size of newly found fields has fallen dramatically. In aggregate, we are replacing with new reserves only about 22% of what we are producing.

Unlike the major, multi-national oil companies, the producing states can neither "merge" into new reserves nor "move on" to more promising exploration targets abroad. Nationally, the problem is yet one more declining domestic industry; at the state level it threatens severe economic disruptions.

In some states, the decline in oil production has already begun to cause serious economic problems. Oklahoma is a good example. Oklahoma's recent decline has been somewhat less than some of the other large producing states only because it began earlier and has benefited from prices and incentives to sustain production from marginal wells. In 1982, 64% of Oklahoma's production was from such "stripper" wells, with an average production of only 3.5 barrels per day -- clearly approaching abandonment. This decline (and the softening of oil prices) has forced the state to pass special "temporary" taxes and to reduce public services significantly. As taxes rise and services deteriorate, it will be increasingly difficult to attract the new industry needed to replace the rapidly declining Oklahoma oil industry. As Oklahoma's wells are abandoned, however, nearly two-thirds of its known oil -- 26 billion barrels -- will remain in known reservoirs. The only opportunity to sustain oil-related Oklahoma activity and to produce a portion of this oil is EOR. If enhanced recovery can be applied, the state may have "breathing room" of ten to twenty years in which to develop or attract new industry. Without EOR, economic stagnation is essentially inevitable. Oklahoma is not unique in this. All major producing states are, or will soon be, confronted with the same situation. The map on the next page shows how severe and widespread the problem has already become.

This is a public, not private, issue. Multi-national companies have alternative, often foreign sources of crude oil. EOR technology is currently too risky for smaller operators; they will simply leave the industry. Well-funded lobbies continue to direct Federal R&D toward other fuels. The real "losers" from those trends are the citizens of the producing states faced with higher taxes, reduced services, and decreased economic opportunity, (see attached table on employment in petroleum extraction). The only public option available is Federal EOR research and development. It should be funded at adequate levels and directed to work cooperatively with the universities, states, and the industry to assure the EOR opportunity is realized.

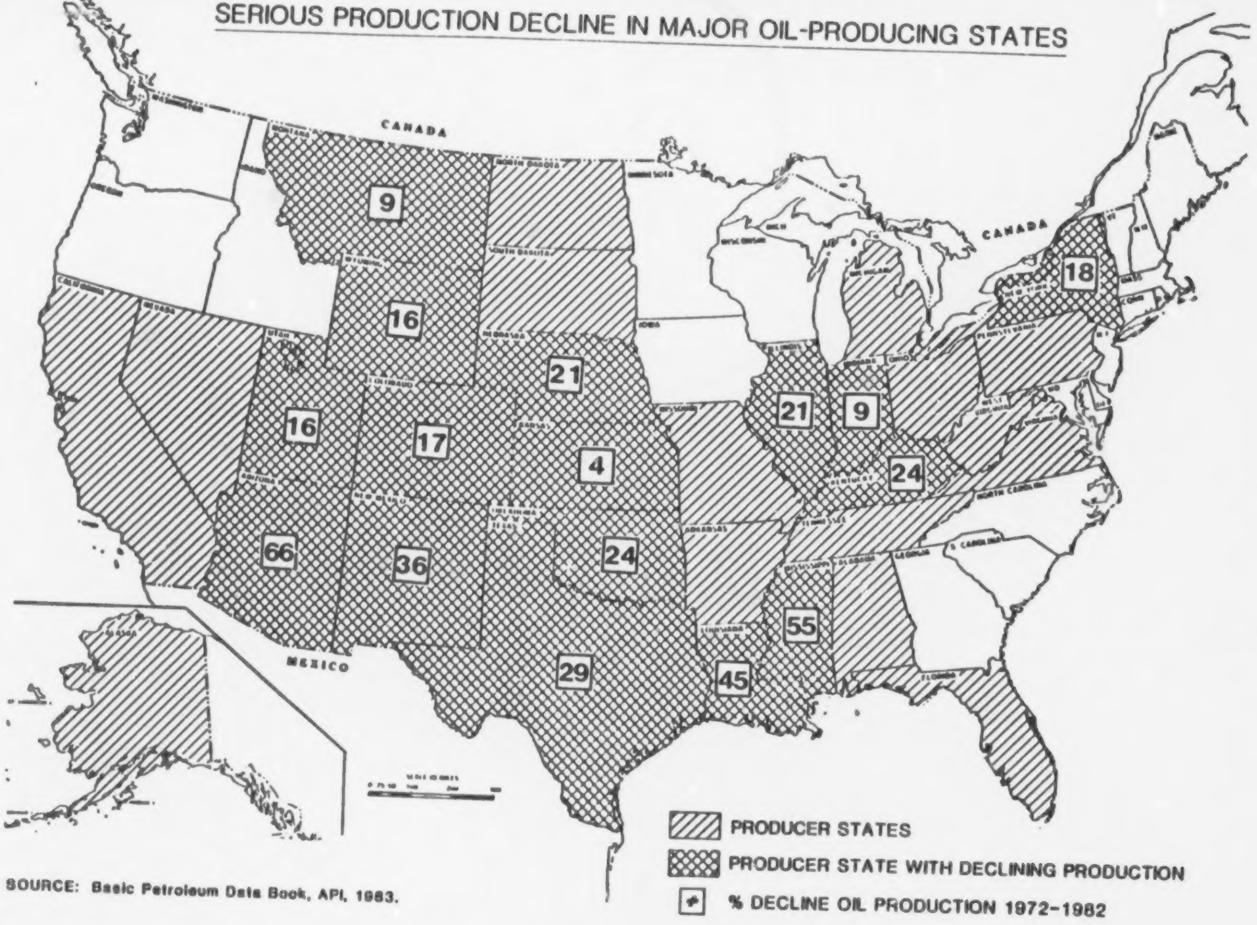
THE POTENTIAL IMPACT ON NATIONAL ENERGY SECURITY

As we have considered the issue of EOR research, a related idea repeatly comes up but apparently finds no institutional "home" in the Federal establishment, either Congressional or Administrative. The idea is that EOR can play a vital role in the nation's energy preparedness under certain, very specific conditions.

We observe the Federal government spending billions of dollars on the Strategic Petroleum Reserve (SPR) to cope with import disruptions of intense proportions but relatively short duration. We see allocations of additional billions of dollars for synthetic fuels to cope with disruptions of very long duration or permanent termination of imports. A gap exists in our preparedness strategy for disruptions of an intermediate duration (e.g., 1-3+ years), unless one includes the billions spent for the Rapid Deployment Force. As demonstrated in the attached White Paper, it appears that EOR, with appropriate planning and "pre-engineering," could fill this gap. Thus, there is the need for Congressional direction.

Note: EOR is neither an alternative nor a competitor of SPR, synfuels or the Rapid Deployment Force; it represents the complement of a continuum that is now incomplete and enriches the options available. The concept has not been further developed because EOR lies outside the mandate of DOE's emergency preparedness staff; conversely, emergency responses lie outside of the mission of DOE's experts in EOR.

SERIOUS PRODUCTION DECLINE IN MAJOR OIL-PRODUCING STATES


CANADA
CANADA
MEXICO
9
16
21
16
17
4
66
36
24
29
45
55
21
9
24
18
NORTH CAROLINA
▨ PRODUCER STATES
▩ PRODUCER STATE WITH DECLINING PRODUCTION
☐ % DECLINE OIL PRODUCTION 1972–1982

SOURCE: Basic Petroleum Data Book, API, 1983.

The White Paper contains a detailed definition of the concept of "pre-engineering" and a qualitative analysis of the prospect for EOR to meet emergency requirements of 385 thousand barrels per day within one year and about one million barrels per day within two years. The analysis suggests that a relatively small number of highly important reservoirs could meet these requirements. If the "pre-engineering" needed to achieve this level of readiness were developed cooperatively with industry and the states, this could be a highly cost-effective complement to the nation's energy preparedness strategy while accelerating EOR applications in the absence of an emergency, thereby reducing overall vulnerability.

The analyses done to date, however, are only suggestive. The White Paper has been favorably reviewed by experts in industry and government. The comments to date argue that the concept has merit, but they also point up the need for more detailed engineering/economic analyses of the feasibility of the concept and an evaluation of alternative means for implementing it. A voluntary, industry-government (Federal and state) cooperative approach could well yield substantial benefits to the states, the nation, and the participating companies while working through basic market mechanisms.

Fortunately, the National Petroleum Council is currently completing an in-depth analysis of the potential of EOR under non-emergency conditions. Due to the intensive cooperation of the DOE Bartlesville Project Office (BPO -- the Federal successor* to the defederalized Bartlesville Energy Technology Center, who developed the White Paper), the reservoir data base and EOR process and economic models used by the NPC now reside on the BPO computer. This highly credible basis of data and models could be used to perform the needed preliminary feasibility and benefit-cost analyses. The first order questions are highly technical, relying on geological, technological, and economic assessments of whether EOR can actually meet specific targets for emergency production. The second set of questions pertain to how best to implement the appropriate program in collaboration with the states and industry, and the benefits and costs of various alternatives. These call for both policy and technical/economic analyses. Once these issues have been successfully addressed, the third-order questions of needed state or Federal legislation (if any) and appropriate programmatic guidance come to bear.

With the reorganization of the Department of Energy, consolidating the management of SPR with the Fossil Energy R&D function (which includes EOR), we believe that the time is appropriate to examine the detailed feasibility of EOR as a complement to the present emergency preparedness strategy.

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* Not to be confused with the National Institute for Petroleum and Energy Research (NIPER), the non-Federal operator of the facility.

Toward this end, we ask that the authorization process direct that the Secretary of Energy conduct a detailed feasibility study of the potential benefits and costs for EOR to contribute to an overall energy preparedness strategy. The funding for the in-depth study should be one million dollars.

The directive should explicitly request that the Secretary employ the reservoir data and models used by the NPC (or contemporary, updated versions of these) to conduct the study. The direction should include a report to the Congress within eighteen months of the appropriation. The report should include a detailed technical assessment of the feasibility of EOR in emergency preparedness, alternatives for implementing this concept (if technically feasible), an assessment of the benefits and costs of each alternative, and a recommended plan of implementation.

While we ask that you introduce this concept, we hope you will also seek to assure its inclusion in the appropriating legislation. We very strongly believe that EOR, as a complement to the nation's energy security posture, is an idea that has been overlooked. It is time to correct this oversight.

These two ideas are closely related. The cooperation with the states and industry, suggested as part of the R&D issue, could be accomplished in the context of efforts to "pre-engineer" and test sites for an emergency response. Conversely, the R&D program would benefit from the heavily instrumented, cost-shared field experiments that would be necessitated by a comprehensive EOR emergency preparedness strategy. Together, the two strategies hold vast promise for reversing the decline in Lower-48 oil production -- as tests yield results -- and success breads its imitators -- and for assuring reliable, cost-effective, peaceful options for import emergencies of intermediate duration.

What is needed now is far-sighted leadership of those who understand the problem, especially in the Congress. EOR research, with a coordinated use of EOR as an energy security fuel, will have significant, highly cost-effective benefits to the nation and to the producing states. Our Committee hopes you will see the urgency of this issue as we do and provide support of an adequate Federal EOR research and emergency preparedness program.

Thank you for joining us in this important national effort.

EMPLOYMENT IN PETROLEUM EXTRACTION INDUSTRY

		Pet. Production Decline 1972-82 (%)	1981 Jobs in Pet. Extraction	% Total Employment in Pet. Extraction (%)
1.	Alaska	NA	7,064	4.0
2.	California	NA	37,969	.3
3.	Colorado	17	25,104	1.7
4.	Illinois	21	7,300	.1
5.	Kansas	4	17,307	1.5
6.	Louisiana	45	94,721	5.6
7.	Mississippi	55	11,778	1.2
8.	New Mexico	36	16,328	3.0
9.	Oklahoma	24	92,100	6.6
10.	Texas	29	278,896	4.1
11.	Utah	16	5,915	.9
12.	Wyoming	16	22,008	9.1
	TOTAL U.S.	25	673,940	.7

Total Employment in (000)	1970	1975	1980	1981
Oil and Gas Extraction	270	329	560	686
All Mining	623	752	1027	1132
% OIL/ALL MINING	43.3	43.8	54.5	60.6

SOURCE: "Statistical Abstract of the U.S." -- Department of Commerce
"Employment and Earnings" -- BLS-Department of Labor

STATEMENT OF W. TIMOTHY DOWD, EXECUTIVE DIRECTOR, INTERSTATE OIL COMPACT COMMISSION, OKLAHOMA CITY, OKLA.

One of our Nation's greatest "public secrets" is the existence of 300 billion barrels of oil that we have found, but cannot produce. We know its location and its quality. Much of the field infrastructure is, or was, in place for production, including wells and pipelines. However, these facilities are abandoned and/or removed as an oil field is economically exhausted. Hundreds of fields have been abandoned and many are now in the marginal, or "stripper," category. Unless we act to reverse these trends, our "public secret" may remain a secret.

On the average, we can produce only 34 percent of the oil discovered in this country. The remaining (or residual) oil amounts to more than 300 billion barrels -- an enormous target that has largely been ignored. We will probably never produce all this discovered oil, but if we could increase our recovery efficiency by only 1 percent -- to 35 percent -- we would be richer by almost 5 billion barrels. That is more than one full year's domestic production at current rates. An increase of six percentage points -- to 40 percent overall recovery -- would yield nearly 30 billion barrels, more than our currently proved reserves. Spread over a twenty-year period, this oil volume would virtually eliminate the need for imports from unstable world sources.

Because of the size and complexity of the petroleum industry in the United States, questions associated with recovery of this residual oil are addressed in little depth, if at all, in the public forum. I am here to begin to correct this oversight. More specifically, I am deeply concerned with recent actions, first by the Administration, then exacerbated by the House authorizing committee, that would strangle our efforts to define and develop this residual oil. These actions, if unchallenged, would dramatically affect the economy of the producing States and ultimately, the economy of the Nation.

INTERSTATE OIL COMPACT COMMISSION INTEREST

Since 1935, the IOCC has served as an interstate compact of the Governors of the oil- and gas-producing States. Its purpose is to assist member States to expand the resource base available for oil and gas development and to avoid physical waste of the resource. Currently, 30 States are members of the Compact. Our most recent efforts have resulted in four books directly related to the recovery of the Nation's residual oil. The titles are indicative of the scope of our efforts:

- *Secondary and Tertiary Oil Recovery Processes*, 1974
- *Residual Oil Saturation*, 1978
- *Improved Oil Recovery*, 1983
- *Modern Reservoir Description for Improved Oil Recovery*, in press

Clearly, the producing States have recognized a pressing problem that will only worsen with time. Simply put, the problem is that *all of our older producing areas are under serious production decline; increased drilling and waterflooding has not and cannot arrest the decline*.

ECONOMIC IMPACT OF DECLINING OIL PRODUCTION

Oil production from the contiguous States as a whole has declined 25% over the past decade; the decline has been severe in the major, mature producing States (Figures 1 and 2).*

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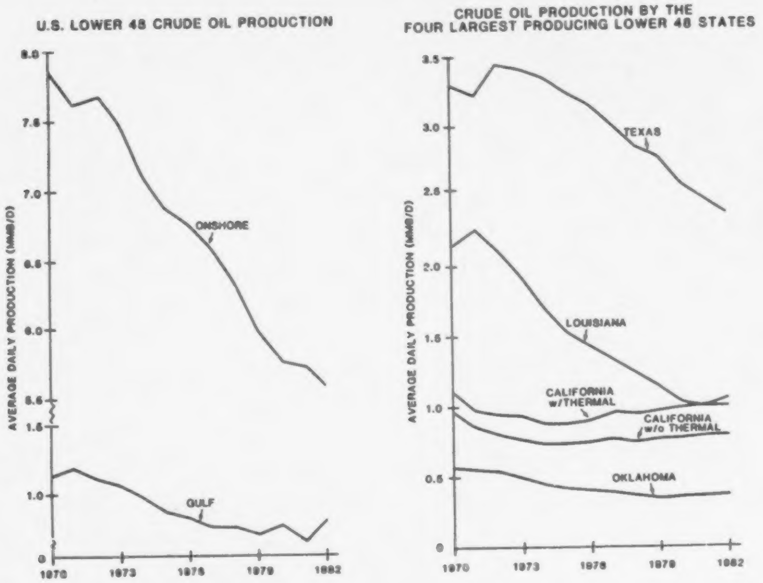
* State-by-state details are appended as tables.

FIGURE 1

DECLINE IN U.S. LOWER-48 STATES AND STATE OIL PRODUCTION


U.S. LOWER 48 CRUDE OIL PRODUCTION

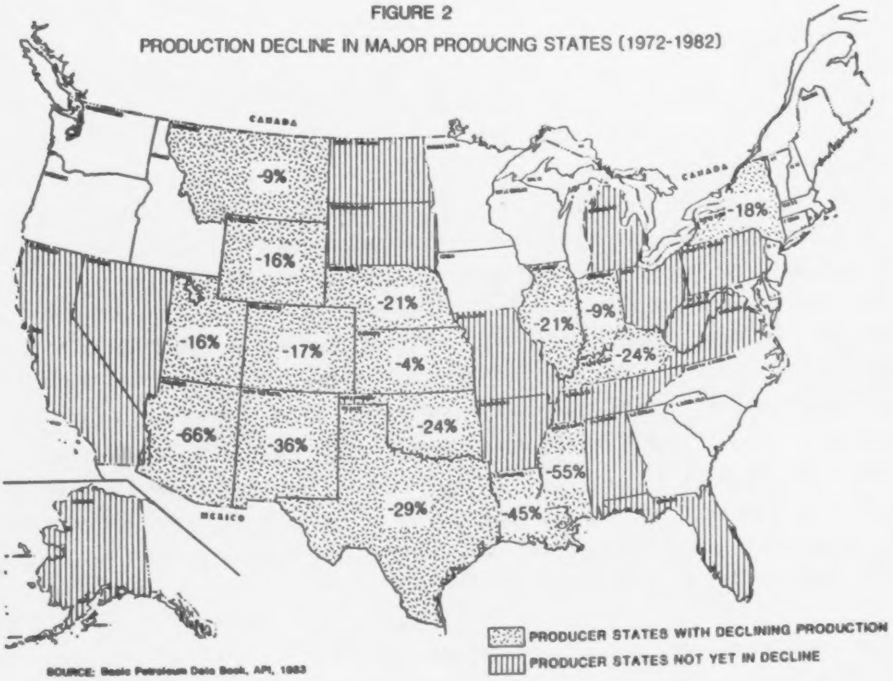
CRUDE OIL PRODUCTION BY THE FOUR LARGEST PRODUCING LOWER 48 STATES

SOURCES: American Petroleum Institute, 1980; Energy Information Administration, 1980, 1981, 1982;

California Oil Producers 1981; Oil and Gas Journal, April 5, 1982

FIGURE 2

PRODUCTION DECLINE IN MAJOR PRODUCING STATES (1972-1982)


CANADA
CANADA
MEXICO
-9%
-16%
-21%
-16%
-17%
-4%
-66%
-36%
-24%
-29%
-55%
-45%
-21%
-9%
-24%
-18%
▨ PRODUCER STATES WITH DECLINING PRODUCTION
▥ PRODUCER STATES NOT YET IN DECLINE

SOURCE: Basic Petroleum Data Book, API, 1983

Consider the following statistics for a moment:

OIL PRODUCTION DECLINE -- 1972-1982

Mississippi	-55%	Illinois	-21%
Louisiana	-45	Nebraska	-21
New Mexico	-36	Utah	-16
Texas	-29	Wyoming	-16
Oklahoma	-24	Montana	- 9

All major producing States except California (assisted by thermal enhanced oil recovery) and Alaska (supported by the largest field in the Western Hemisphere) have suffered significant production declines over the past decade. Even where production has not yet declined, reserves have declined (12% for the Nation as a whole over the five years from 1977 to 1982) -- predicating inevitable production declines in the future. These declines are overlooked in viewing National energy statistics, but are quite real and will continue into the foreseeable future.

Even with these declines, oil revenue continues to be a significant contributor to the economic health (Figure 3) and tax base (Figure 4) of numerous States. For example, for producing States with significant declines:

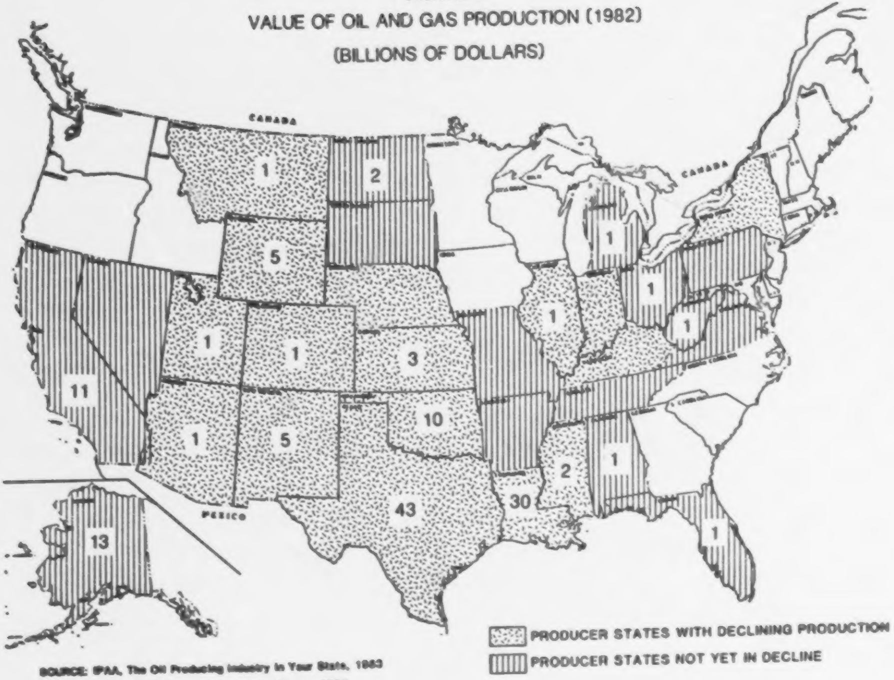
1982 PETROLEUM REVENUE AS PERCENT OF STATE TAX BASE

Mississippi	8%	Illinois	n.a.
Louisiana	31	Nebraska	1%
New Mexico	28	Utah	2
Texas	26	Wyoming	34
Oklahoma	27	Montana	10

Oklahoma is an example of the problems caused by these production declines. Its production has declined 24% over the past decade, but 1982 petroleum production accounted for $10 billion in economic activity and 27% of state tax revenues. Oklahoma has already passed special "temporary" taxes and has significantly reduced public services. As taxes rise and services deteriorate, it is increasingly difficult to attract the new industry needed to augment the rapidly declining oil-based economy. As Oklahoma's wells and fields are abandoned, some 26 billion barrels of residual oil will also be abandoned. Abandonment increases the economic burden of re-opening these fields to advanced technology, itself currently an economically tenuous proposition at best. The Oklahoma experience is being, or soon will be, repeated throughout the major oil-producing States. The maps in the exhibits show how widespread the problem has become. Overall, the Nation has experienced a 25% decline in Lower-48 domestic production over the past decade despite higher prices and additional drilling.

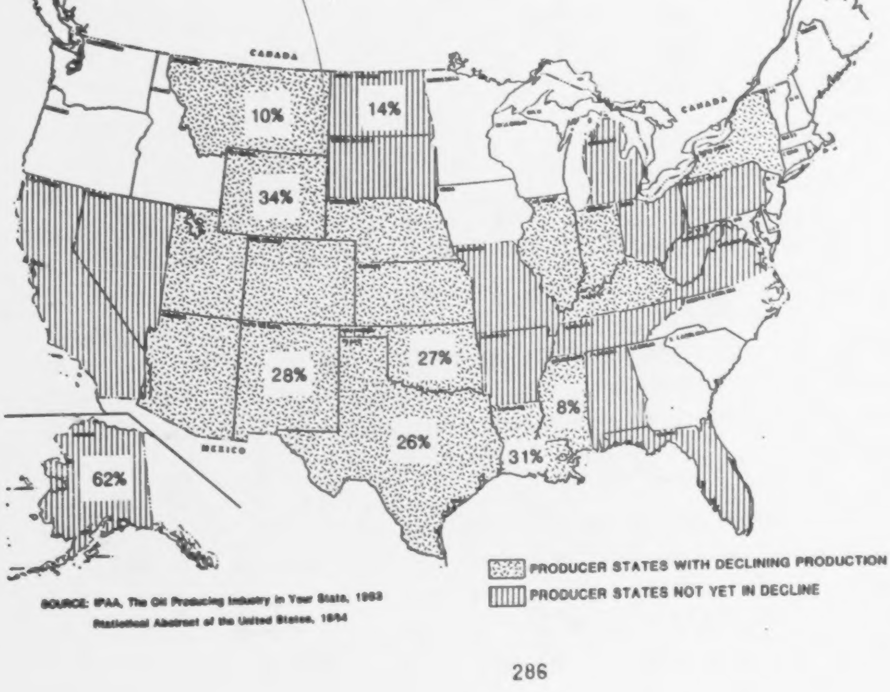
The root cause of the problem is the maturity of the Nation's oil fields. We have produced all the "easy oil"; but, two-thirds remains in the reservoirs, awaiting more sophisticated, costly, and risky technology.

FIGURE 3
VALUE OF OIL AND GAS PRODUCTION (1982)
(BILLIONS OF DOLLARS)


CANADA
1
2
CANADA
1
5
1
1
1
1
3
11
1
1
10
1
5
2
1
30
43
1
MEXICO
13
PRODUCER STATES WITH DECLINING PRODUCTION
PRODUCER STATES NOT YET IN DECLINE

SOURCE: IPAA, The Oil Producing Industry in Your State, 1983
Statistical Abstract of the United States, 1984

FIGURE 4
PROPORTION OF STATE TAX REVENUES DERIVED FROM PETROLEUM PRODUCTION (1982)


CANADA
10%
14%
CANADA
34%
27%
28%
8%
26%
31%
MEXICO
62%
PRODUCER STATES WITH DECLINING PRODUCTION
PRODUCER STATES NOT YET IN DECLINE

SOURCE: IPAA, The Oil Producing Industry in Your State, 1983
Statistical Abstract of the United States, 1984

THE PRODUCTIVITY PROBLEM

Waterflooding has become an accepted means of recovery and accounts for over 50% of the Nation's total daily production. Productivity is greatest after the water is first injected and an oil bank is formed. Water-free oil is produced for some time, but eventually water breakthrough will occur leading to ever increasing amounts of water and ever decreasing amounts of oil. Industry has had over 50 years to apply waterflooding in the United States. Most of our major fields are now in the mature phase of production decline. Eventually even the giant fields will succumb to the fundamental principle that controls the flow of oil and water in oil reservoirs.

For nearly all States east of the Mississippi and for Oklahoma and Kansas, over half of the average daily oil production is from "stripper" wells of less than 10 barrels per day each. In response to price increases, stripper well production in the Lower-48 has climbed from 3% to 17% of total production since 1972. With higher prices, it became economical to continue to maintain production from marginal wells; the average production per stripper well fell to 2.9 barrels per day in 1982 from 3.4 barrels per day in 1970.

The costs of operating a well vary with the quantity of fluids lifted. Nearly all of the stripper well oil production is accompanied by water production. On a national level, nine barrels of water are produced for every barrel of oil. Stripper well production is often pushed to 95 or more barrels of water produced for every barrel of oil. Eventually, operating costs of pumping this much total fluid for so little oil will exceed the value of the oil produced. At that time, these wells, by law, must be plugged and abandoned.

That fate is inevitable unless we find some means to interrupt the natural decline. Processes being developed to achieve this objective are called enhanced oil recovery. Properly developed and applied, these processes inject various chemicals and gases into the formation to recover additional oil. Once injected, the waterflood is resumed, forcing the injected material to mobilize the oil left behind by the normal waterflood. This causes a new oil bank to form in the reservoir which eventually shows up as water-free oil production. Productivity is restored until breakthrough of the water and production follows that of the prior waterflood.

Only enhanced oil recovery can restore productivity to stripper-well production. We must develop this technology or abandon billions of barrels of potential oil production. The technology today is too complex and too unpredictable to be widely applied by the major oil companies, let alone the independents that have substantial stripper well holdings. In a real sense, the long-term fate of the Nation's residual oil resource rides on the development of enhanced oil recovery techniques that independents and majors alike can understand and use. Restoration of the depletion allowance for independents will also be required if they are to continue to participate in waterflooding and these new technologies.

KEYS TO ENHANCED OIL RECOVERY

In the Nation's drive to apply waterflooding, very little effort was made to characterize the reservoir. Minimum information was needed since waterflood performance could be predicted within acceptable limits. However, we have found that the materials injected to enhance oil recovery will react with the reservoir rock and/or with the oil and water present in the reservoir. This situation requires much more detailed information than was previously needed.

This is not an economic problem but a technical one. The oil bypassed by the waterflood exists in the reservoir as a film that may line the reservoir rock walls or it may exist in only a portion of the reservoir in individual pores or in pore clusters. The IOCC examined this subject in our 1978 book on Residual Oil Saturation.

The nature and distribution of the remaining residual oil is only one part of a larger process called reservoir characterization, which is examined in our book Modern Reservoir Description for Improved Oil Recovery, soon to be published.

Much of the material for our books are derived from research sponsored by the Government over the years. This body of information is the only public source of such information and is becoming increasingly valuable as industry concentrates on the commercial aspects of enhanced oil recovery processes. This common base of reservoir information and basic research is, and will ontinue to be, an indispensable aspect of the public and private partnership hat has developed over the years.

We have just begun to understand the keys to enhanced oil recovery -- the ature of residual oil, reservoir characterization, and process performance in e reservoir. We must continue this effort and augment it with more basic search in our public institutions (i.e., States, universities, research undations, and Federal facilities).

VERNMENT RESEARCH PROGRAM

The Government program is directed toward long-term research of a nature at will not be undertaken by even the largest oil company. It is the type that no single company can capture the benefits of the effort, but is vital to all. In short, the Government program is directed to a common base of understanding of the recovery processes. This common source of information provides a starting point for specific commercial research on process performance in the field. Through understanding and application, we hope to eventually unlock the secret to production of some of our 300 billion-barrel base of residual oil. This will not be easy nor will it be soon.

It is difficult for me to see why an important Government program has been consistently underfunded over the years. Lack of a vocal constituency may be one answer, which I hope to begin to correct today. Other reasons include the fact that this is a problem affecting the States and the Nation, but not necessarily the oil companies, who can develop foreign resources.

The Administration's request was for $13.4 million for petroleum research, of which $1.2 million was to be for tar sands, not enhanced oil recovery. The $12.2 million for enhanced oil recovery was, by the Administration's own definitions, the "minimal defensible budget" -- in our view, already too small relative to the energy and economic implications of enhanced recovery. That this is an increase over recent requests reflects the increasing recognition by the Administration that enhanced oil recovery can play a key role in the Nation's energy future.

The recent action by the House authorizing committee, however, cut $2.13 million from the $13.40 million request for oil research. This cut would eliminate most of the university and basic data research that is needed. This mirrors similar cuts over the last three years; in the absence of a vocal constituency, enhanced recovery research is easy to cut. I urge the Senate to restore the budget to the levels requested.

In addition, I recommend that the Senate add $5 million to the Administration's request. Of this, $4 million should be directed to university, State-Federal cooperative research, and data base enhancements on light oil, and $1 million to similar research on heavy oil.

We are in a struggle against time. Currently, ignorance of the residual oil resource and technologies is winning, as evidenced by the 25% decline in the Lower-48 production over the past decade. Without enhanced oil recovery, the Nation will have no choice but to turn to ever increasing amounts of imports to satisfy liquid fuel demands. With enhanced recovery, however, we have a compelling option that affects National security, the balance of payments, a strong domestic industry, and the producing States.

EOR AS A HEDGE AGAINST SUPPLY INTERRUPTIONS

Many of you will recall our desperate need for aviation fuel during World War II. What you might not know is that the Government had, and still maintains as part of the oil program, a data base on the properties of oil contained in oil reservoirs. During the war, that data base was used to pinpoint fields whose oil would yield the greatest amount of aviation fuel. Priority was then given to materials needed to develop these fields, and it worked.

Enhanced oil recovery can be viewed in much the same manner. In a real emergency, the Strategic Petroleum Reserve is expected to contribute to supplies in the short term, measured in months. Synthetic fuels can only be developed in quantity at great cost over an extended period, five to ten years. Enhanced oil recovery is an intermediate option that can be applied to specific reservoirs identified from the Government data base. After the exhaustion of the Strategic Reserve, our only significant option is the Rapid Deployment Force, an extreme option indeed. The normal lead time for enhanced recovery, from start to significant production, is three to eight years. This lead time, however, could be reduced to one to two years if the data base were augmented with a specific pre-engineering program to test specific processes in candidate fields. Such low-cost pre-engineering, done in collaboration with the field operators, could substantially enrich the Nation's options in such times.

Analyses of this concept suggest that a relatively small number of critical reservoirs would be sufficient to meet a production level of about 400,000 barrels per day in one year and 1,000,000 barrels per day in two years, if the appropriate pre-planning were done. Toward this end, I recommend that the Senate direct the Secretary of Energy to conduct a detailed feasibility study of this concept and to report the results to Congress for consideration. This could be accomplished at a cost of about $1 million.

SUMMARY

The implications of enhanced oil recovery are important to the Nation. We are already seeing the economic effects of the 25% decline in Lower-48 production at the state level. The National impact will be reflected in the imported oil numbers in the coming years.

We must continue the Government program at least at the level requested by the Administration. An increase of $6 million over the Administration's request would provide an optimal mix of data analysis and university and State-Federal cooperative research. In addition, it would provide a complete and thorough analysis of the potential of EOR as a hedge against import interruptions.

We have made an important start in the effort to understand the nature of the residual oil resource in this country. The task will not be simple nor will the answers be immediately available. A continued Government program appropriately coupled with the state's and industry's commercial research is needed. I urge you to consider the importance of oil in this country and the real potential for enhanced oil recovery. In this consideration, I am sure you and I will come to similar conclusions -- enhanced oil recovery is too important to be left to chance.

CRUDE OIL PRODUCTION/RESERVES STATISTICS FOR PETROLEUM PRODUCING STATES

STATE	1977 RESV (MMB)	1982 RESV (MMB)	% CHANGE (1977-82)	1972 PROD (MB)	1982 PROD (MB)	% CHANGE (1972-82)	RESV/PROD 1977	RESV/PROD 1982	% CHANGE (1977-1982)
ALABAMA	85	54	-36%	9,934	20,014	101%	4.7	2.7	-42%
ALASKA	8,413	7,406	-12%	72,893	618,910	749%	49.7	12.0	-76%
ARIZONA	*	*	*	993	335	-66%	*	*	*
ARKANSAS	116	107	-8%	18,519	18,849	2%	5.7	5.7	-1%
CALIFORNIA	5,005	5,405	8%	347,022	401,572	16%	14.3	13.5	-6%
COLORADO	230	169	-27%	32,015	30,545	-5%	5.8	5.5	-5%
FLORIDA	213	97	-54%	16,897	25,626	52%	4.6	3.8	-17%
ILLINOIS	150	150	0%	34,874	27,710	-21%	5.9	5.4	-8%
INDIANA	20	28	40%	6,130	5,563	-9%	3.8	5.0	34%
KANSAS	349	378	8%	73,744	70,525	-4%	6.1	5.4	-12%
KENTUCKY	30	36	20%	9,702	7,349	-24%	4.6	4.9	7%
LOUISIANA	3,600	2,728	-24%	891,827	458,395	-49%	6.4	6.0	-7%
MARYLAND	*	*	*	*	*	*	*	*	*
MICHIGAN	233	184	-21%	12,990	31,462	142%	7.1	5.8	-17%
MISSISSIPPI	241	223	-7%	61,100	33,047	-46%	5.6	6.7	20%
MISSOURI	*	*	*	60	202	237%	*	*	*
MONTANA	175	216	23%	33,904	30,921	-9%	5.4	7.0	30%
NEBRASKA	22	32	45%	8,705	6,872	-21%	3.7	4.7	26%
NEVADA	*	*	*	100	613	513%	*	*	*
NEW MEXICO	605	563	-7%	110,525	71,024	-36%	6.9	7.5	14%
NEW YORK	*	*		1,018	834	-18%	*	*	*
NORTH DAKOTA	155	237	53%	20,624	47,271	129%	6.7	5.0	-25%
OHIO	74	111	50%	9,358	14,571	56%	7.1	7.6	7%
OKLAHOMA	1,109	971	-12%	207,633	158,621	-24%	7.1	6.1	-14%
OREGON	*	*	*	*	*	*	*	*	*
PENNSYLVANIA	57	37	-35%	3,441	4,282	24%	21.0	8.6	-59%
SOUTH DAKOTA	*	*	*	219	1,158	429%	*	*	*
TENNESSEE	*	*	*	198	1,132	472%	*	*	*
TEXAS	9,751	7,616	-22%	1,301,685	925,296	-29%	8.6	8.2	-4%
UTAH	252	173	-31%	26,570	22,440	-16%	7.6	7.7	1%
VIRGINIA	*	*	*	0	49	*	*	*	*
WEST VIRGINIA	21	48	129%	2,677	3,227	21%	8.3	14.9	78%
WYOMING	851	856	1%	140,011	118,300	-16%	6.2	7.2	16%
TOTALS	31,757	27,825	-12%	3,455,368	3,156,715	-9%	10.6	8.8	-16%
MISCELLANEOUS	-23	-33							

SOURCE: BASIC PETROLEUM DATA BOOK, API, VOLUME III, NUMBER 3, SEPTEMBER 1983.
U.S. CRUDE OIL, NATURAL GAS, AND NATURAL GAS LIQUIDS RESERVES, EIA, 1977 AND 1982.

PRODUCTION/ECONOMIC STATISTICS FOR PETROLEUM PRODUCING STATES

STATE	OIL VALUE X$1000	GAS VALUE X$1000	EST ROYLTY X$1000	SEV/PROD TAX X$1000	ST TAX BASE X$1000	SEV/PROD TAX % OF TOT ST TAX	O/G EMPL MINING	TOT STATE EMPLOYMENT
ALABAMA	646,852	376,815	127,958	58,035	2,196,000	3%	1,954	1,466,000
ALASKA	12,440,091	267,330	1,588,428	1,581,117	2,539,000	62%	7,772	187,000
ARIZONA	1,040	0	130	*	1,856,000	0%	217	1,192,000
ARKANSAS	567,732	207,450	96,898	24,602	1,264,000	2%	4,240	919,000
CALIFORNIA	9,830,482	1,095,650	1,365,767	5,124	21,819,000	0%	40,416	10,978,000
COLORADO	964,306	495,550	182,482	23,251	1,690,000	1%	29,300	1,455,000
FLORIDA	800,810	76,800	109,701	63,743	5,556,000	1%	1,103	4,342,000
ILLINOIS	878,130	3,725	110,232	*	7,429,000	0%	7,300	4,954,000
INDIANA	176,125	800	22,116	1,764	3,064,000	0%	923	2,284,000
KANSAS	2,171,465	645,655	352,140	1,176	1,443,000	0%	17,108	1,111,000
KENTUCKY	239,575	85,120	40,587	13,737	2,491,000	1%	3,554	1,497,000
LOUISIANA	14,911,589	15,511,700	3,802,911	971,667	3,127,000	31%	95,300	1,664,000
MARYLAND	0	25	3	2	3,193,000	0%	36	1,978,000
MICHIGAN	1,006,450	474,385	185,104	83,805	6,307,000	1%	4,600	3,615,000
MISSISSIPPI	960,015	602,450	195,308	113,669	1,462,000	8%	10,999	941,000
MISSOURI	6,313	0	789	*	2,313,000	0%	215	2,097,000
MONTANA	965,972	132,325	137,287	50,075	529,000	9%	5,482	358,000
NEBRASKA	212,826	5,500	27,291	5,969	861,000	1%	1,037	739,000
NEVADA	14,680	0	1,835	3	745,000	0%	575	436,000
NEW MEXICO	2,261,404	2,443,415	588,102	348,436	1,228,000	28%	15,431	538,000
NEW YORK	27,130	43,785	8,864	*	15,438,000	0%	2,484	7,339,000
NORTH DAKOTA	1,507,472	136,800	205,534	76,138	533,000	14%	7,857	297,000
OHIO	450,244	318,500	96,093	1,333	5,819,000	0%	12,548	4,481,000
OKLAHOMA	5,082,217	5,222,970	1,288,148	744,629	2,713,000	27%	102,227	1,384,000
OREGON	0	15	2	*	1,552,000	0%	122	1,164,000
PENNSYLVANIA	138,520	298,440	54,620	*	8,186,000	0%	5,500	4,883,000
SOUTH DAKOTA	37,055	3,100	5,019	1,707	329,000	1%	160	310,000
TENNESSEE	36,335	4,425	5,095	931	2,146,000	0%	895	1,879,000
TEXAS	29,433,666	14,041,550	5,434,402	2,373,846	9,100,000	26%	292,522	6,848,000
UTAH	683,971	163,100	105,884	22,296	951,000	2%	5,401	1,192,000
VIRGINIA	1,585	19,250	2,604	*	3,236,000	0%	300	2,447,000
WEST VIRGINIA	105,587	523,590	78,647	39,762	1,469,000	3%	6,083	662,000
WYOMING	3,467,373	1,229,440	587,102	257,526	763,000	34%	21,030	238,000
TOTALS/AVERAGES	90,027,012	44,429,660	16,807,084	6,864,343	123,347,000	5.6%	704,691	75,875,000

SOURCES:

BASIC PETROLEUM DATA BOOK, API, VOLUME III, NUMBER 3, SEPTEMBER 1983.
THE OIL PRODUCING INDUSTRY IN YOUR STATE, IPAA, 1983.
STATISTICAL ABSTRACT OF THE UNITED STATES, 1984.

PRODUCTION/ECONOMIC STATISTICS FOR PETROLEUM PRODUCING STATES

STATE	% O/G OF TOT STATE EMPLMNT	EST WAGES X$1000	ROY+TAX+WAGES X$1000
		$21.341	
ALABAMA	0.1%	41,700	227,693
ALASKA	4.2%	165,861	3,335,405
ARIZONA	.0%	4,631	4,761
ARKANSAS	0.5%	90,485	211,985
CALIFORNIA	0.4%	862,510	2,233,400
COLORADO	2.0%	625,285	831,018
FLORIDA	.0%	23,539	196,983
ILLINOIS	0.1%	155,788	266,020
INDIANA	.0%	19,698	43,577
KANSAS	1.5%	365,098	718,414
KENTUCKY	0.2%	75,845	130,169
LOUISIANA	5.7%	2,033,778	6,808,356
MARYLAND	.0%	768	773
MICHIGAN	0.1%	98,168	367,077
MISSISSIPPI	1.2%	234,727	543,705
MISSOURI	.0%	4,588	5,377
MONTANA	1.5%	116,990	304,352
NEBRASKA	0.1%	22,130	55,390
NEVADA	0.1%	12,271	14,109
NEW MEXICO	2.9%	329,310	1,265,848
NEW YORK	.0%	53,011	61,875
NORTH DAKOTA	2.6%	167,675	449,347
OHIO	0.3%	267,784	365,210
OKLAHOMA	7.4%	2,181,606	4,214,383
OREGON	.0%	2,604	2,605
PENNSYLVANIA	0.1%	117,374	171,994
SOUTH DAKOTA	0.1%	3,415	10,141
TENNESSEE	.0%	19,100	25,126
TEXAS	4.3%	6,242,653	14,050,901
UTAH	0.5%	115,262	243,442
VIRGINIA	.0%	6,402	9,007
WEST VIRGINIA	0.9%	129,816	248,225
WYOMING	8.8%	448,797	1,293,425
TOTALS/AVERAGES	0.9%	15,038,670	38,710,097

STATEMENT OF THE AMERICAN COUNCIL FOR THE ARTS

Mr. Chairman, the American Council for the Arts (ACA) appreciates the opportunity to submit a statement for the record on FY 1985 appropriations for the National Endowment for the Arts (NEA). ACA is a national arts service organization, founded in 1960, which seeks to address significant issues in the arts by promoting communication, management improvement, and problem-solving among those who shape and implement arts policy and helping to improve internal and external support systems for the arts. Our Board of Directors and general membership include well known artists, leaders in the business world, arts administrators, arts patrons, and others committed to strengthening the arts in this country.

The American Council for the Arts is recommending that the Congress appropriate $195 million to the National Endowment for the Arts in FY 1985. We estimated last year that an appropriation of roughly $200 million would be necessary to restore the NEA budget to the purchasing power of the watershed year of FY 1981. Last year's appropriation of $162 million reversed the trend of the previous two years; a FY 1985 appropriation of $195 million would almost put the Endowment back on a par with FY 1981.

The arts in our country flourished through the 1960's and 1970's in large part due to increased support from both the public and private sectors. However, recent trends and tough economic times have cast doubt on the future of such support, and also on the future of many arts institutions.

Many artists and arts institutions face an uncertain future. Production costs have skyrocketed. As a result, more "safe" productions are being mounted at the expense of experimentation, innovation, and artistic development; much higher ticket prices are excluding many people from cultural experiences. Artistic choices are also being dictated by financial constraints. A twelve-character, three-set play might be dropped for a two-character, one-set play. More time must be spent on fundraising, with less time for developing artistic quality. As for individual artists, they have continued to suffer from chronic unemployment and low pay.

Consequently, ACA is disturbed by the recommendation that the federal government seek a significant retrenchment from last year's appropriation level. We agree with Chairman Hodsoll that "the arts economy does not exist in isolation", as the gloomy picture painted above demonstrates. In the arts world, as in the rest of the economy, there is simply no way to do more--or even the same--with less.. A decreased NEA budget is obviously detrimental to the arts, particularly at a time when the need is so great.

In terms of private support for the arts, the American Association of Fund Raising Counsel's 1983 edition of Giving U.S.A. noted that "the most recent data from the joint survey of corporate contributions conducted by the Conference Board and the Council for Financial Aid to Education showed that culture and arts have been the growth areas in corporate philanthropy since the mid-1970's". Giving U.S.A. continues, "But the Conference Board and CFAE reported that 'conversations with corporate professionals indicate that they are placing a new program emphasis on meeting basic human needs'".

Not only does the corporate sector appear to be switching their funding emphasis at the expense of cultural organizations; "the American Association of Fund Raising Counsel (AAFRC) said there was some evidence that both corporations and foundations were slowing the growth rates in contributions to arts and humanities....Virtually all of the surveys...pointed to much harder times ahead for cultural organizations," according to Giving U.S.A. (1983).

In light of this trend, it was disturbing to note that some of the corporations surveyed by AAFRC in March 1983 "said that they considered cultural giving to be 'luxury contributions', the type of funding they would like to make when they have good profit years." Arts supporters have long argued against this point of view, and worried that decreases in public support for the arts will convey a tacit approval of that outlook to private supporters. Hard-nosed business executives are not eager to fund that which their government says is unimportant. Consequently, it is very doubtful that the private sector can be expected to make up the gap left by reduced or inadequate public support for the arts.

Apart from the question of the level of support for the arts which can be expected from the private sector, is the issue of how the corporate world distributes their contributions to the arts. While the corporate sector has made, and continues to make, significant contributions to the arts, corporate support, taken over all, is unlikely to support a truly pluralistic arts environment. Quite understandably, the private sector looks to support institutions and programs in their own backyards. They are generally shy of taking risks by lending support to avant garde productions that might not have broad public appeal, or of footing the bill for the "invisible" costs of arts institutions that are nontheless vital to their continued wellbeing.

Minority art forms and organizations; risktaking artistic ventures which encourage creativity and are so vital to the continued dynamism of our cultural life; rural and other areas which lack a corporate presence; and individual artists are all less likely to attract corporate funding than are more traditional art forms located in metropolitan areas. These gaps in what the private sector will generally support are nonetheless areas which need support if we are to have a comprehensive cultural life.

According to the American Council for the Arts' Guide to Corporate Giving 3, "by far the most prevalent geographic area encompassed by contributions programs is the headquarters or home office area, cited by 93.3 percent of the responding companies." The most recent Business Committee for the Arts' survey shows the enormous discrepancies in the geographic distribution of business support for the arts in 1982, and the obvious difficulty this poses for arts organizations in rural or non-commercial areas which seek corporate support.

According to the NEA's Five-Year Planning Document: 1986-1990, "some non-profit arts institutions can more easily raise private contributions than others. The 1983 report of the Business Committee for the Arts shows that corporations give predominantly to the establishment art forms--orchestra, museums, and operas." Among the areas cited as "less attractive to the private sector" were modern dance, new music, arts education, medium and small presenters, folk arts and design. Areas cited as "unattractive to the private sector" included support of individuals, minority organizations, post-modern dance, and avante garde and inter-disciplinary arts.

There are other significant needs which are generally unmet by private support. A frequently mentioned concern of witnesses at a February 4, 1983 hearing in San Francisco, sponsored by the American Council for the Arts, was the need to provide greater support to individual artists. Yet the ACA Corporate Giving to the Arts 3 noted that 6.8% of the companies surveyed give commissions to artists as opposed to 87.3% of the companies who support general operating expenses of arts groups. Theodore Bikel testified at the February 4 hearing that:

> The individual artist's access is what concerns me most deeply. Because...we are more concerned with organizations than with individuals. And individuals themselves are not trained to have access to the illusory funds of the nation. What poets do you know who can walk up to the doors of a private foundation, knock on the door, and say: Can I have $2,000 so I don't have to drive a taxicab for twelve hours a day, and to write poetry? It doesn't exist, that kind of notion....The individual artist is going to get lost in the shuffle. Also lost in the shuffle [for] funds are the smaller organizations, the experimental, the ones who lead marginal artistic lives.

Margaret Jenkins with Margaret Jenkins Dance Company related the following story at the February 4 hearing which demonstrates the constraints that often accompany private support:

> I got a call this morning...that one of the corporations that had agreed to fund me in San Francisco wanted to make sure that I wasn't going to do any avant garde work this year, and could my executive director assure her that what I was going to do would be in the direction that she felt that the arts should go if it was to remain accessible to the audience. I said, "Call her and tell her no." We will see if the check comes or not.

It is apparent, therefore, that public and private dollars going to the arts are allocated according to different criteria. The private sector is not responsible for the general welfare of the arts; understandably, they fund what is in the best interests of their business, and not necessarily the best interests of the arts. Consequently, sufficient NEA funding is needed to provide broader access to the arts; to reach out to minority art forms and organizations; to provide an opportunity to take the risks which will make artistic growth and development possible; to provide leadership in funding unmet areas of need, such as support for individual artists; and to provide support for the arts in those regions of the country which lack a significant corporate presence.

LETTER FROM TOM BRADLEY, MAYOR, CITY OF LOS ANGELES, CALIF.

March 13, 1984

Honorable James McClure, Chairman
Senate Subcommittee on Interior Appropriations
Room 5D, 114 Dirksen Building
Washington, D.C. 20510

Dear Senator McClure:

I am writing to once again urge inclusion of the California OCS leasing restrictions in the Fiscal Year 1985 Interior Appropriations Bill. It was only through the inclusion of the Southern California provisions in the 1984 Appropriations Bill that we avoided the prospect of leasing virtually our entire coastline under Lease Sale No. 80. Now, under Interior Secretary William Clark, Lease Sale No. 80 has been postponed but could be held at any time, including during Fiscal Year 1985.

I would like to, accordingly, submit the enclosed testimony which documents the recurrent battles that local governments in Southern California have fought to protect those nearshore areas where the economic and environmental costs of drilling outweigh the potential benefits. It notes that the previous Interior Secretary broke the precedent of three previous Administrations by attempting to lease in the Santa Monica Bay, the most heavily used coastal area in the country. It also notes that on June 9, 1982, the U.S. District Court blocked the lease of the Bay tracts in a decision highly critical of Secretary Watt's inadequate consideration of local concerns.

I believe it is clear from our experience that the OCS Lands Act's requirements for federal conformity to reasonable state and local recommendations is an ineffective guarantee that our concerns will be addressed. Until assured otherwise, coastal cities in Southern California and the San Diego and Southern California Associations of Governments will continue to support Congressional exclusion of the tracts we have long sought to protect. These tracts represent a small portion of our planning area, an area that has long been the source of a significant portion of offshore drilling activity.

I will not repeat the details of the enclosed testimony but let me emphasize that the exclusion of these nearshore tracts will significantly reduce all the potential impacts of drilling, including the air pollution that will further endanger our efforts to meet the Federal Clean Air Standards. It is with this in mind that I urge your support for the California OCS leasing restrictions in the 1985 Interior Appropriations Bill.

Sincerely,

Tom Bradley

TOM BRADLEY
MAYOR

STATEMENT OF TOM BRADLEY

Thank you for this opportunity to provide a local government perspective on the question of offshore drilling.

My first involvement with this subject was in 1974 when the Southern California Council of Local Governments was formed in response to President Nixon's unprecedented plans to lease ten million offshore acres nationwide for oil and gas exploration. We were concerned that such ambitious plans would provide little allowance for the desires of local government to protect sensitive coastal areas. We also knew from our experience with the 1969 Santa Barbara Channel blowout and oil spill that offshore drilling posed significant dangers to our coastal environment and economy. In order to make certain we had opportunity for timely input to the Outer Continental Shelf (OCS) leasing process, we actively supported what became the 1978 amendments to the OCS Lands Act which created the five-year planning process.

In the interim, we were faced in 1975 with Lease Sale #35 which included tracts in the Santa Monica Bay, the most heavily used coastal area in the country. In what has turned out to be the first in a long series of efforts with four different Administrations, we were successful at a very late date in convincing the Secretary of the Interior to delete the Bay Tracts. We cited the dangers of drilling in a very seismically active area, the economic impact on an area with 60 million annual visitors and a thriving fishing industry, the need to protect the two remaining coastal wetlands in Los Angeles County, and the significant air pollution impact in a basin where it is difficult to even project compliance with the National Ambient Air Quality Standards.

We are now in the midst of another battle, this time with Secretary Watt, over the inclusion of Santa Monica Bay area tracts in Lease Sale #68. As in previous lease sales, I convened a series of meetings with officials of local coastal cities to coordinate our response to this effort. Because this Administration decided to ignore the basis for previous tract deletions, the City of Los Angeles and seven other cities joined with the State of California in a suit to block the leasing of 23 of the 164 tracts in the sale. On June 9, the U.S. District Court granted a preliminary injunction blocking the sale of those tracts in a decision highly critical of Secretary Watt's inadequate consideration of local concerns. The granting of a full injunction will undoubtedly trigger a lengthy appeals process similar to one initiated by the Interior Department in a 1981 Northern California lease sale.

I believe it is clear from our experience that the OCS Lands Act's requirement for federal conformity to reasonable State and local recommendations is an ineffective guarantee that our concerns will be addressed. In fact, the Five Year Leasing Program recently submitted by the Interior Department indicates that virtually every area that local government has sought to exclude from leasing will soon be included in new lease sales. While I remain supportive of the reasonable development of our offshore resources, I do not agree with this Administration's reported philosophy of "draining America first" while reducing support for energy conservation and renewable energy sources.

I have supported efforts to halt the seemingly endless battles that local governments can expect to face under the accelerated leasing program proposed by Secretary Watt. One such effort, H.R. 6365 introduced by Congressman Panetta, would halt until the year 2000 all OCS leasing activities in Northern California from Pismo Beach to the Oregon border. I strongly support that proposal as a means of ending the battles that Californians have continued to fight to protect the fragile coastline in that area. I am now working with members of the California Congressional delegation to expand the goal of that legislation to include sensitive areas in Southern California where there is a similar history of bipartisan opposition to leasing efforts. There is a clear need for Congress to recognize that certain areas deserve protection as drilling sanctuaries much as the State of California has done in establishing its system of offshore oil and gas sanctuaries for State lands.

While I support such legislation as an interim measure, there is also a need for a broader national perspective on the entire OCS issue. I believe that Congress should establish a ten-year national OCS study period at the end of which it would designate offshore areas where the risks of drilling to the environment and local economy are too great to allow leasing. Such a study period would roughly correspond to the Interior Department's OCS Environmental Studies Program which should provide valuable information on the impact of drilling activities.

I am also concerned with the reluctance of this Administration to enforce the provisions of the 1978 OCS Lands Act Amendments which require the use of American labor or resident aliens in OCS drilling activities whenever possible. Even though the law required the implementation of this requirement within 18 months after its adoption, the Coast Guard waited until March, 1982, to propose regulations that will not take effect until April, 1983. And within those regulations, there is a major loophole that places the burden of finding American workers exclusively upon the government, which must act within 30 days or the requirement is waived. If it is the goal of this Administration to reduce American dependence on foreign oil, it seems ironic that it has shown little concern with our use of foreign workers on OCS projects.

In terms of the Five-Year Leasing Program, Secretary Watt's plans to lease more than a billion acres off our nation's coast over the next five years will make it impossible for local government to meaningfully participate in the planning process. The new program dwarfs President Carter's 60 million acre plan announced in 1980 which was designed to be the maximum acreage that could be made available while still maintaining the required "proper balance" with environmental concerns.

In order to justify this vastly accelerated program, the new Interior Department balance sheet deliberately mixes low value/high risk areas with high value areas in order to arrive at artificially high net social value calculations for the entire coastline. Within California, it is particularly clear that the mixing of high risk areas in the Santa Monica Bay, Northern California and near other State oil sanctuaries with high value areas was a major cause of distortion in the analysis. The plan ignores the recommendation of the December, 1981, GAO report on the leasing program that Interior reduce the size of the areas offerred for lease because "trimming the lease sales down to smaller offerings will allow for a more detailed analysis of the environmental features in an area and also reduce the acreage Interior must consider for tract valuations."

There seems to be no recognition that the new schedule will intensify litigation that will delay the proper execution of the OCS program. Without major changes in OCS policy, there will be continued confrontations that will be totally at odds with this Administration's efforts to increase the role and voice of state and local governments. And without such changes, the intent of Congress in implementing the OCS Lands Act as a guide to the reasonable development of our offshore resources will not be met.

I therefore urge you to consider these points in your consideration of the Five-Year Leasing Program now before you.

STATEMENT OF KENNETH CORY, COMPTROLLER, STATE OF CALIFORNIA

The Department of Interior is currently proposing a 1985 appropriation for minerals management and minerals royalty collection, which falls far short of that needed for the proper administration of the Mineral Leasing Act of 1920, as amended by the Oil and Gas Royalty Management Act of 1982.

First, as in the previous year's proposal, so soundly rejected by the Senate Appropriations Committee, the Department again seeks to reduce the amounts payable to the States under that Act from the statutory 50%, by the device of deducting the costs of collection before distribution of the proceeds. While this may have an appearance of equity, it alters through the appropriation process a decision made by the Congress as to the appropriate share to be given the states as compensation for the retention of large areas of federal public lands immununized from state or local taxation. This decision, made long ago after full consideration by the relevant legislative Committees, ought not be altered without similar deliberation.

Indeed, more than the expenses are already deducted from the mineral royalty funds for Federal reimbursement in the form of the Windfall Profit Tax. There, it may be recalled, by subjecting Federal petroleum mineral income to the Federal tax, the Executive Branch reduced the total mineral royalty funds before the statutory division. To extend that transfer by further deduction is wholly unwarranted.

Second, Interior proposes only an inadequate amount for compensation for State assistance in royalty audit and collection. The Federal Oil and Gas Royalty Management Act of 1982 specifically provides for the utilization of State personnel in the audit and inspection of production on federal leases within a State. Up to now, however, the Department has limited State participation to a minimum of "cooperative agreements" which require the State involved to foot at least half the total expenses. And, while these cooperative agreement operations have been extremely successful in targeting substantial underpayments, they have required major State funding, in effect extending the Federal agency appropriation for this purpose.

The Act, however, contemplated a more unstinting reliance on State action. Section 205, indeed, provides for a comprehensive procedure whereby the States who are willing and have a demonstrated competence, will be delegated authority to act directly in the audit and collection process. 96 Stat. 2447, at 2459. Moreover, the statute specifically provides that the "Secretary shall compensate any State for those costs which may be necessary to carry out the delegated activities."

While the Department is currently reconsidering the previous Secretary's refusal to consider Section 205 delegations and is publishing proposed Departmental regulations covering such delegations, it has omitted any specific funding for such activities leading to some doubt whether in fact the delegation process will be carried forward.

Under the circumstances, we strongly urge that the proposed deduction of expenses be eliminated, and that the appropriate item be amended to provide for a specific appropriation of not to exceed $2,000,000 for State expenses pursuant to Section 205 delegations.

STATEMENT OF ERNEST T. SMERDON, CHAIRMAN, WATER RESOURCES COMMITTEE, NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND GRANT COLLEGES

This written statement is submitted on behalf of the Water Resources Committee of the National Association of State Universities and Land Grant Colleges. Our association has 144 public university members. The members include all the leading public research universities in the nation.

Congress has recently displayed strong leadership in overwhelmingly approving the Water Resources Research Act of 1983 in the face of a Presidential veto. We are grateful for the farsighted leadership provided by key senators in fighting for the continuation and strengthening of a joint federal-state water resources research program. It is significant that this program had so much support in both the Senate and the House. This new legislation contains important features which will make this vital program even better.

First, the legislation stipulates that each water institute will be formally evaluated on a rigorous and regular basis to insure that its research is of high quality and that its program is relevant to the national interest and warrants support.

Second, each Institute supported under Section 104 of the bill must match every federal dollar with at least one non-federal dollar initially, and ultimately with two non-federal dollars. These provisions provide for a true federal-state cooperative effort to address critical water issues of national relevance, with non-federal elements carrying an increasingly larger share of the finances over time.

Third, Section 105 provides opportunity and encouragement for qualified researchers in any university or research organization to participate in the program by undertaking research on any water problem which the Secretary of the Interior deems to be in the national interest. All grants must undergo the rigors of an external peer review. The federal dollars in the Section 105 program also must be matched with at least one non-federal dollar for each federal dollar.

The authorization for Section 104 is $10 million. Our institutes are prepared to address critical water resources problems which are important to the nation, the regions and the individual states. These programs will be established considering national priorities and they will be closely coordinated among the Institutes. In fact, recently, these Institutes have adopted a protocol of project approval on a regional basis, with a particular focus on a select number of priority areas.

We understand that resources are limited; however, ignoring water issues will not resolve them. We believe that the federal government has a responsibility to provide support for research to help solve the nation's water problems. These problems cut across state lines and demand regional and national cooperation. We respectfully recommend that the program under Section 104 be funded at the authorized level of $10 million. Doing so will assure that a coordinated, nationally relevant water research program will be undertaken and sustained.

If Section 104 represents the foundation, the Sections 105 and 106 are the building blocks.

The competitive matching grant program under Section 105 provides for a water research effort which would be directed at issues which the Secretary of the Interior deems to be in the national interest. This program will be of top quality because these competitive grants can be made only after thorough review and evaluation by experts. Any qualified educational institution or private research group is eligible to compete for these matching grants. Since there is a requirement for dollar-for-dollar non-federal matching, the maximum research effort for each federal dollar spent is again assured.

The nation has many water problems which are reaching critical proportions in many regions. Moreover, there are interested and qualified researchers available to address these problems. However, the work will not be done without encouragement and support from the federal government. In a recent national competition for less than five million dollars in water research funds administered by the Bureau of Reclamation, there were 321 proposals submitted, with the total amount requested equaling 55.1 million dollars (46.2 million dollars federal and 8.9 million dollars non-federal). The evaluation of these proposals indicated that at least two-thirds of them were directed at important and in some cases critical water problems. Furthermore, the proposals were judged to be of high quality. However, most could not be supported because of funding limitations.

Even if the authorized $20 million program under Section 105 is appropriated, all the important water problems will not be addressed. However, this program should be supported. To do so will provide for a water research program on important national problems conducted by the best qualified researchers in the nation. Moreover, the total magnitude of the program will be at least twice the amount of federal funds committed. We believe this justifies appropriations at the authorized level of $20 million and respectively recommend this for your consideration.

We in the universities look forward to undertaking a concerted research effort to address the water problems that will be facing the nation in the future. Through the strong leadership of several senators, the key question of whether the federal government has a responsibility for leadership in encouraging the states to continually address future water problems has been answered affirmatively. The enactment of the Water Resources Research Act of 1983 provides the opportunity for us to work together to solve the water problems. If the federal money can be appropriated, we in the universities will generate the non-federal matching money. We urge your support in appropriating funds to the Department of the Interior to provide support for both Section 104 and 105 at the authorized levels.

In closing we also support technology development as provided in Section 106. The NASULGC member universities can make significant contributions to the development of technology through applied programs in engineering and in other areas. Federal support of advanced technological research can make an important contribution toward preventing our nation's water problems from becoming national water crises.

On behalf of the Water Resources Committee of the National Association of State Universities and Land Grant Colleges, I thank you for the opportunity to submit this statement.

STATEMENT OF PETER V. JACKSON, EXECUTIVE VICE PRESIDENT, SOCIETY FOR RANGE MANAGEMENT

Thank you for the opportunity to file this statement on the 1985 proposed budget.

The Society for Range Management (SRM) has an interest in the budgets and activities of the Fish and Wildlife Service, the Bureau of Land Management, and the Forest Service, especially as they relate to range and wildlife and related resources.

SRM is a professional organization of nearly 5,500 members, international in scope, representing individuals and groups with a common interest in the study, management, and rational use of public and private rangelands and related ecosystems. Its headquarters are in Denver, Colorado. SRM membership includes ranchers, wildlife biologists, hydrologists, range conservationists, students, teachers, business-men and others, reflecting the wealth and variety of rangeland values and the diversity of interests in rangelands. We support sustained multiple-use of rangelands and resources and have members with expertise in all rangeland sciences and in coordinated resource planning and management.

As you know, rangelands of the United States comprise over 40 percent, approximately 800 million acres, of the total land area. These lands provide a wealth of natural resource products and values, and millions of people use and benefit from the wide variety of natural resources produced on rangelands. The abundance of natural resources found on our rangelands and forest lands are a significant national treasure which demand our wise and thoughtful stewardship in perpetuity.

SRM is aware of the serious economic and budget problems facing the U.S. Out members generally favor the high priority being given these economic problems by the Administration and the Congress. We wish to be supportive. However, we do believe that we should point out the need for strong resource management programs as a means of adding to our economy and the wealth. There is a great and continuing potential for increased wealth and increased tax bases from out public land resources. In general these budgets recognize this potential, although larger investments are needed if greater future returns are to be realized.

U. S. FISH AND WILDLIFE SERVICE

SRM strongly favors the modest overall increase in employment and budget for this important program. This 1985 budget comes more closely to the needs so that this bureau can meet its responsibilities.

SRM is especially pleased with the attention given resource management. The proposed modest increases in habitat resources, wildlife and fisheries resources and the increased staffing in these programs is a positive step.

The redirection of the research program with modest changes looks sound. SRM is glad to see the cooperative unit program continued even though it is at a reduced level.

BUREAU OF LAND MANAGEMENT (BLM) AND FOREST SERVICE (F.S.), RESOURCE MANAGEMENT

For several years SRM has noticed decreases in professional staffing for both BLM and the F.S. This has resulted in a smaller number of qualified professional people available for resource management on the ground. Coupled with this problem is an observation that these 2 agencies have had very limited recruitment of range management and related professional graduates at the entry or lower grade levels. Experienced replacements in the professional ranks cannot help but be limited by present personnel practices. SRM urges annual recruitment at a satisfactory level to assure qualified and experienced professionals for the future.

SRM believes there is a great need for more emphasis on resource management not only for livestock grazing but also the related values of wildlife, watershed, and recreation. The proposed reductions in the F.Y. 1985 budget seems to be going in the wrong direction. Specifically, BLM is slated to be reduced in range management by $3,800,000 and 85 people. Similar reductions are made for soil, water, and air management, wildlife habitat management, and recreation. At the same time, energy and minerals management have a sizeable increase in people and money. SRM can understand the need to increase revenues but believes it is false economy to do this at the expense of renewable resource management.

In the F.S. a reduction of $1,628,000 and 31 people is proposed. Wildlife and Fish Habitat management is reduced by $1,865,000 and 38 people. Here again there is emphasis on timber, oil and gas and income producing activities which SRM does not disagree with but does not believe the funds and manpower should come from resource management.

In both the BLM and F.S. there is increased emphasis on the grazing permittees assuming more responsibility for all aspects of grazing management on their permitted allotments. SRM believes this is a valid and practical approach providing the bureaus have professional people to supervise these resources on the ground.

NOXIOUS WEEDS

The occurrence and rapid spread of noxious farm weeds on both public and private land throughout the western states is of major concern to SRM. Noxious weeds currently infest an estimated 16 million acres and are spreading at an approximate rate of 7 percent per year. Estimated annual production loss is well in excess of 100 million dollars and will continue to increase if aggressive, effective control measures are not taken.

A viable noxious weed program can be achieved only through an adequately financed research and control effort fully coordinated between public land management agencies, private land owners, state, county, and local weed control districts. SRM urges more attention and increased funding for this program.

RANGE, WILDLIFE AND FISH HABITAT RESEARCH

The Forest Service Range, Wildlife and Fish Habitat Research is of interest to SRM. This program has not been well-financed especially the Range portion. The 1985 budget proposes to reduce this program by $890,000 and 16 people, a reduction of approximately ten percent. SRM recongnizes there is a need for inter-disciplinary research. However, it feels that there are many high priority range research projects that are not receiving attention.

OVERALL COMMENTS

SRM is interested in all aspects of these 3 agency programs but especially in the range and related resources.

In the F.S. budget SRM does not agree that the State and Private cooperative programs should be curtailed and turned over to the states. The state cooperative planning and fire control are two examples where some states are unlikely to continue at a satisfactory level if there are no federal incentives.

Overall, SRM believes it is in the interest of the national economy to continue the programs for these 3 agencies at least at the 1984 level of financing and manning.

STATEMENT OF LONNIE L. WILLIAMSON, WILDLIFE MANAGEMENT INSTITUTE

This request involves the FY 1985 budgets of the Bureau of Land Management, U.S. Forest Service and the U.S. Fish and Wildlife Service. We recommend a $15 million increase for the Bureau of Land Management and a $2.8 million increase for the Forest Service over the President's proposal. We also recommend adjustments for the Fish and Wildlife Service budget which would not result in increases.

Bureau of Land Management

The proposed budget for renewable resources in the Bureau of Land Management would be little short of catastrophic if accepted by Congress. The living resources on the public lands would be bled pale to support stepped-up energy and mineral development.

The renewable resources account in BLM would be cut $12.4 million and 197 personnel. The wildlife program alone would lose $2.1 million and 25 full-time employees. In real dollars, BLM's wildlife program would be reduced 40 percent from the 1981 level. On the other hand, BLM's energy and minerals program would have its funding increased by $5.3 million and receive 267 additional personnel.

It is an untenable situation, if fish and wildlife on public lands are important to people, and we believe they are. It is time, in our view, to turn this mismanagement of BLM lands around so that the public may enjoy the full benefits of those acres in the future. Lets get back to where we were several years ago.

We recommend increases over the President's request for $4.5 million for wildlife; $6.5 million for range management; and $4 million for soil, water and air.

This modest $15 million increase would make the Bureau's renewable resources budget respectable and more in line with the need for improved public land conservation.

Aside from the budget per se, we believe the subcommittee can be very helpful in stimulating BLM to do something for a species that is nearing the point of becoming endangered.

There are less than 10,000 desert bighorn sheep remaining in the U.S. and the trend is downward. The potential for restoration, however, is fantastic. BLM controls most of the animal's habitat but the agency has invested very little time and money in bighorns. There are hundreds of areas that historically were occupied by desert bighorns, but have been void of the animals for a century.

We are trying to obtain some outside grants to BLM for initiating a desert bighorn restoration effort. It would be very supportive if the subcommittee included language in its report encouraging BLM to develop a modest program to restore desert bighorn sheep.

U.S. Forest Service

Fish and Wildlife conservation activities on national forests would be reduced by more than three percent under the President's proposed budget for FY 1985. That may sound insignificant, but it is not when one considers that timbering, mining and other extractive activities on the forests are being accelerated. For example, the timber sale budget is up 8 percent and mining is scheduled for a 14 percent jump. The main function of the Forest Service's fish and wildlife effort is to support the timber and mineral programs so that the adverse effects on fish and wildlife will be minimized. With timbering and mining on the rise and fish and wildlife support on the decline, the Service obviously will not be able to protect habitat as it should.

We recommend that the Service's habitat program be increased $2.8 million in order to adequately protect fish and wildlife as timber and mineral developments increase.

U.S. Fish and Wildlife Service

On paper, the U.S. Fish and Wildlife Service appears to be in for a $21.6 million increase over the 1984 level, from $508.2 million to $529.8 million. However, that increase involves an assumption that Congress will pass and the President will sign pending wetland legislation that has not yet cleared either the House or Senate. There is a chance that this legislation may not be enacted before the end of this fiscal year. Furthermore, the proposed Service budget also assumes that the excise tax receipts from the sale of sporting arms and ammunition, which fund the Service's Federal Aid Program to states, will increase from $93.7 million to $105.5 million this year. That is more than 10 percent increase, which the manufacturers view as highly unlikely.

Therefore, instead of the projected $21.6 million increase, the Service budget may be somewhat lower in FY 1985 than in FY 1984.

We recommend that the Subcommittee appropriate $22.8 million from the Wetlands Loan Fund, rather than banking on the Emergency Wetlands Bill being enacted. The need for wetland acquisition is critical and there is no assurance that Congress will enact the pending Emergency Wetlands Bill in time.

Mr. Chairman, it is discouraging for many of us to note that merely the proposed increase in defense spending in FY 1985 ($35.5 billion) is more than three times the total budget for natural resources and environmental programs in all federal agencies. The wealth of this or any other nation comes from natural resources. If we continue to ignore and waste those valuables, as we are now, there may come a time when precious little remains worth defending.

STATEMENT OF SARA VICKERMAN, LEGISLATIVE DIRECTOR, DEFENDERS OF WILDLIFE

Summary

Our objective here is threefold. First, we want to identify those program reductions (or eliminations) in the Administration's budget request which will result in harm to wildlife or wildlife conservation programs. Second, we want to recognize and commend the Administration's programs that will benefit wildlife. Finally, we make the following recommended changes to the budget: LAND ACQUISITION AND STATE ASSISTANCE - Land and Water Conservation Fund for refuges should be funded at $92.38 million. MIGRATORY BIRD CONSERVATION ACCOUNT - The Wetland Loan advance under the Migratory Bird Conservation Account should be set at $12.7 million. RESOURCE MANAGEMENT: Wildlife Resources. 1) The $146,000 under the Refuge Operations and Maintenance Program to protect reserved water rights on refuges should be continued in FY 1985. 2) The FWS should continue its research on livestock guard dog studies at $45,000 and initiate a taste aversion research project at $361,227 for the first year (Research and Development). Endangered Species. 1) This Committee should support the Administration's budget request for the FWS's Endangered Species Program but not at the expense of the Bureau of Land Management Program. In addition, $62,580 is recommended to fund a study to determine the applicability of using livestock guard dogs to reduce conflicts between livestock and the threatened eastern timber wolf in Minnesota.

Justification

Land Acquisition

Defenders of Wildlife commends the Administration and particularly Secretary of the Interior William Clark for reactivating the acquisition of vital wildlife habitat for the National Wildlife Refuge System. Our Wildlife Refuge System is unparalleled throughout the world, and includes a portion of every major ecosystem found in North America. Refuges help conserve migratory waterfowl and other migratory birds, and harbor over one-third of all species listed as federally threatened or endangered.

The growth of the National Wildlife Refuge System does not begin to mitigate for the loss of wildlife habitat. For example, over 450,000 acres of wetlands are lost each year! In recognition of the value of wildlife to the American public, Congress has given acquisition authority to the Fish and Wildlife Service for the purchase of valuable wetland and other wildlife habitat as additions to the Refuge System.

Previous budget proposals of the Reagan Administration have not recognized the importance of land acquisition. In the last three years, Secretary Jame Watt requested a paltry $2.7 million of Land and Water Conservation Fund (LWCF) monies for refuges. For FY 1984, the Secretary requested zero funding. Similarly, in the last three years, the Secretary has asked for no advance loans under the Migratory Bird Conservation Account, the other funding authority for the Refuge System.

Fortunately, Congress has rescued the program. Last year, Congress appropriated $42.6 million out of the LWCF for refuge acquisition. The strong support of this Committee was essential in achieving that level. The advance on the Wetlands Loan was $7 million.

This year we are seeing a more enlightened wildlife perspective under Secretary Clark. His understanding of programmatic wildlife needs surpass that of his predecessor. The Administration has requested $57 million in Land and Water Conservation Funds. Yet, however commendable this reversal may be, it is Defenders' view that this request is inadequate for two reasons. First, $27.5 million of the LWCF request, is earmarked for "Federal Wetlands," which is normally funded under the Migratory Bird Conservation Account. Furthermore, the authority to fund these "Federal Wetlands" out of the LWCF is dependent on pending legislation (Chafee/Forsythe bills). If the wetlands legislation is not passed (and that is a strong possibility), only $29 million would then be available for valuable wildlife habitat under LWCF. Defenders therefore recommends that three of the four wetland acquisition projects [Humbolt Bay (CA), Anderson-Tully (TN), and Ridgefield (WA)] should be funded under an advance from the Wetlands Loan (MBCA). The fourth project [Cache River (NE)] should be deferred until acceptable plans are complete. The three projects would total $12.3 million and could easily be absorbed within the $45 million remaining in the Wetlands Loan.

The second inadequacy of the Administration's request is that it is too small. Defenders of Wildlife urges the Committee to support continued funding for the FWS at levels that will effectively protect wildlife resources. Monies are available through the Wetlands Loan and the LWCF, and the Service is capable of carrying out an accelerated land acquisition program. Attached to this statement is a list of needed acquisitions that in toto represent the necessary boost for the LWCF for FY 1985 to a level of $92.28 million.

Resources Management

Refuge Operations and Maintenance, Wildlife Resources: The Administration requested an increase in Refuge O&M funds. While we commend the intent, Defenders recommends reinstating under Refuge O&M the $146,000 omitted by the Administration that is used for the protection of federal water rights on refuges. The decline in water quality and quantity is the most salient threat to refuges according to the refuge threats study published by the FWS last year (Fish and Wildlife Service Resource Problems. July, 1983). Water and water rights are clearly an indispensable ingredient in survival of wildlife on these protected lands. Interior would be remiss if it did not continue its current project of strongly defending its water rights, and we urge the inclusion of report language to reaffirm this program.

Research and Development, Wildlife Resources: In 1983, Defenders approached this Committee directly with two proposals. The first was a livestock guarding dog research project to be conducted by Dr. Coppinger of the New England Farm Center at Hampshire College in Amherst, Massachusetts. We were delighted that it was funded for FY 1984 for $45,000. Although the money, which is to pass through the Fish and Wildlife Service to Dr. Coppinger, has not yet been received from the Service, we have been informed that the project is ready to begin upon the receipt of the funds.

Unfortunately, the Fish and Wildlife Service apparently wishes to terminate the three-year project after the first year, as it has requested that the Congress not appropriate funds for FY 1985. The Service cites possible duplication of effort, claiming that USDA has an equivalent project underway. However, we have confirmed with both FWS and USDA personnel in Washington, D.C., that 1) FWS has little knowledge of the USDA work on guarding dogs at the Sheep Experimental Station in Idaho or Coppinger's project, and 2) in fact, the projects are in no way similar. Dr. Coppinger's objectives include establishing a pilot project in one state (Oregon) and actually implementing the technique on the ground and evaluating the results. The USDA program involves very limited experimental work and has itself been reduced further in recent years.

Our second request concerns a proposal which the House approved last year but the Senate rejected. It is a research project designed to investigate the effectiveness of taste aversion in reducing losses of sheep to coyotes. Taste aversion is a method which involves lacing lamb baits with a chemical which makes coyotes sick but does not kill them.

Dr. Gustavson has made some revisions to the proposal which we submitted last year. The funding needed is $361,227 per year for five years. The new proposal is designed to investigate this technique on sheep ranches in Arizona, California, Nevada, Oregon, Idaho, Utah, New Mexico, and Texas. (We will provide the Subcommittee with a copy of the revised proposal as soon as we receive it.) Dr. Gustavson will be the project director, and the funding should go directly to the Center for Environmental Studies at Arizona State University.

The objectives of the project are as follows:

1) Collect data on livestock losses to coyotes.

2) Evaluate the effectiveness of taste aversion in reducing coyote predation on sheep.

3) Determine how long aversions last in the field.

4) Compare the results obtained and techniques applied in northern vs. southern ranching states.

Endangered Species

In past years under Interior Secretary Watt, the Administration attempted to slash the U.S. Fish and Wildlife Service budget for protection of threatened and endangered species under the Endangered Species Act.

Defenders is especially pleased that the FY 1985 budget requests funding for endangered species above the levels both requested and appropriated in FY 1984. In particular, we note our support for the $3,028,000 requested for the listing of species under the Endangered Species Act. The very large backlog of candidate species to be considered for listing is ample justification for this requested amount which represents a $400,000 increase in funding over the FY 1985 base budget, but still remains below the level requested by President Carter in FY 1982. Defenders also supports the funding increases requested by the Administration for recovery, research and development, and cooperation with states.

However, we are dismayed to see that where endangered species protection is concerned, the Administration is "robbing Peter to pay Paul." The aforementioned endangered species funding increases requested for the U.S. Fish and Wildlife Service are being offset by deep and damaging slashes in the endangered species budgets of other agencies (e.g. the Bureau of Land Management: $1,000,000 for endangered species recovery; the National Marine Fisheries Service: $1,180,000 for protected species research). This strategy is not acceptable. Defenders' specific concerns with the budget request for the Bureau of Land Management are presented in the joint statement submitted by the Natural Resources Defense Council.

Threatened Eastern Timber Wolf (Canis lupus)

The threatened eastern timber wolf exists in viable numbers only in northern Minnesota, where localized opposition is greatly hampering wolf recovery. The U.S. Fish and Wildlife Service has failed for the most part to take positive action to diffuse the wolf-human conflict, has attemped to reduce legitimate protection for the wolf, and has ignored extensive illegal killing of wolves (estimated at 250 animals/year). The time is ripe for positive initiative to benefit wolves and local citizens. Therefore, Defenders requests the Committee to consider funding a two-year research project designed to determine the suitability of using livestock guarding dogs (Anatolian shepards) to prevent wolf predation on livestock in Minnesota. Guarding dogs have been used successfully for centuries to protect livestock against wolves in Europe and Asia. Preliminary investigations concerning their suitability for use in wolf habitat are encouraging. The potential benefits of using guard dogs are substantial: reduced livestock and wolf loss, reduced wolf depredation control program costs to the federal government and indemnity costs to the State of Minnesota, and diffusion of anti-wolf sentiments. A study propoal has been developed by Ray Coppinger of the New England Farm Center and is attached here for the Committee's review. The funding requested is:

Minimum appropriation	(add-on)	$43,390.00	(one year project)
Total appropriation	(add-on)	$62,580.00	(two-year project)

APPLICATION OF LIVESTOCK GUARDING DOGS FOR REDUCING WOLF PREDATION IN MINNESOTA

Ray Coppinger
New England Farm Center
Hampshire College
Amherst, Massachusetts 01002

Dates of Project: May 1984 - October 1985
Amount Requested: $62,580.

Within the contiguous 48 states the gray wolf (Canis lupus) now exists in viable numbers only in northern Minnesota. The Minnesota population consists of about 1200 wolves and is distributed over some 30,000 square miles (Bailey 1978). Within this range are approximately 12,000 farms on which about 234,000 cattle, 91,000 sheep, and various other types of farm animals are produced (Fritts 1982). Depredation on sheep and cattle in Minnesota is an ongoing problem that continually generates controversy and cries for reduced legal protection. Frequently these cries denounce scientific wildlife management and plea for a return to non-regulated taking of wolves by the public.

Depredation of domestic animals was the reason given for the deliberate extirpation of the wolf from most of the United States (Young and Goldman 1944, Lopez 1978, Brown 1983). In Minnesota the wolf currently is classified as "threatened" and, except for extraordinary circumstances, cannot be taken except by U.S. Fish and Wildlife Service personnel in response to confirmed significant depredations on domestic animals. Thus, considering the present legal status, the wolf seems secure. However, depredation on livestock and other wolf/human conflicts continue to generate animosity that results in illegal killing (estimated at 250 wolves per year) and in political pressure to reduce or altogether abolish protection. This reaction will occur to some extent so long as wolves and humans co-exist in Minnesota and regardless of the legal status of the wolf. Long range survival of the wolf in Minnesota and elsewhere in the lower 48 states may eventually hinge on man's resolution of these conflicts.

Ideally, a wolf depredation control program should limit livestock killing effectively while minimizing the number of wolves killed (Fritts 1982). Many of the lethal control methods available for predators are not approriate for an endangered or threatened species. The major method currently in use is to live-trap and humanely euthanize offenders. Within the past four years, 118 wolves have been euthanized. Although a trapping program to remove livestock-depredating wolves can retard losses and is necessary, it can be implemented only after depredations have occurred. Offending wolves can be very difficult to capture, and losses may continue until they are captured. More effort needs to be made to deter the onset of losses. Several non-lethal methods, such as scare devices and taste aversion, have been tried but with only moderate success so far.

A strong need currently exists to explore the potential of livestock guarding dogs for reducing wolf depredations on cattle and sheep in Minnesota. Guarding dogs have been used against wolves and other predators for hundreds of years in parts of Europe and southwestern Asia (Coppinger and Coppinger 1982, Coppinger et al. 1983). They have proven useful in reducing coyote depredations on sheep in the United States in recent years (Green and Woodruff 1980, R. Coppinger unpublished). Guarding dogs might prove to be an excellent defense against depredation by wolves in Minnesota.

Despite their success against coyotes, the extent to which dogs can be used to protect livestock from wolves in the western hemisphere is not known. Minnesota wolves are larger and exist in larger social units than is the case for wolves in parts of Eurasia where dogs are apparently successful. Consequently, their response to encounters with guarding dogs might be different. It is not known whether guarding dogs can be used effectively with cattle, especially in low visibility forested habitats where they often are grazed in summer. Neither is it known how the bonding pattern between cattle and dogs differs from that of sheep and dogs. Still another question is the extent to which Minnesota farmers will be willing to try this novel approach to their predator problems.

Even very limited success by guarding dogs against wolves would serve to reduce the conflict between wolves and agricultural interests and thus contribute toward the long-range survival of the species in Minnesota. Any success by dogs should reduce the number of wolves that must be filled in depredation control efforts.

Furthermore, a succesful guarding dog problem would reduce the control program operation costs to the federal government and indemnity costs to the Minnesota state government.

Moreover, the outlook is promising. The New England Farm Center started a pilot investigation last year by placing three dogs with farmers in northern Minnesota that were having problems with wolf predations. The results thus far are encouraging and the farmers are optimistic. In addition, initial testing of guard dogs' reactions to North American wolves with Eric Klinghammer at the Perdue University Wolf Park indicate the dogs are adequate to the task. The dogs were not afraid and fared well in antagonistic encounters with wolves.

In view of the substantial potential benefits of the use of livestock guarding dogs in Minnesota, the following project is proposed.

OBJECTIVES/METHODS

A. Place Dogs on Farms

Farmers with a history of wolf depredation will be contacted and surveyed to determine which ones would be receptive to trying a guarding dog at their farm. "Cooperators" will be selected based on their interest in the program, their ability to manage a dog properly, and feasibility of working with them. An effort will be made to place as many dogs on farms as is practical. Standard instructions will be given to each cooperator and performance of the dogs will be evaluated through information obtained through standard questionnaires. Some of the dogs will be chosen for intensive study and evaluation as described in C - E below.

B. Bonding of Dogs to Cattle

In order to better understand the process of bonding dogs to cattle, several calves will be purchased and raised with selected pups and dogs at the New England Farm Center using techniques successfully applied for bonding dogs with sheep (Coppinger, Lorenz and Coppinger 1983). In spring, dogs and calves would be transported to Minnesota farms and integrated into test herds.

C. Behavior and Activity Patterns of Dogs Around Sheep and Cattle

Attentiveness of dogs to sheep and cattle would be determined. Interactions between dogs and various age and classifications of cattle and sheep observed (calves, heifers, cows with calves, cows without calves, bulls, lambs, ewes with lambs, ewes without lambs). Relationship of age of the dogs and attentiveness would be determined. Behavior and activity of dogs would be determined by both direct observation and by radio telemetry. At selected farms with basically non-forested pastures an observation platform would be built and a spotting scope used. At other farms, with more forested pasture, the dog would be fitted with a radio-collar and tracked day and night. An activity collar would be used to determine when the dog was at rest and when moving. If the pasture is sufficiently small, an automatic monitoring station would be assembled and movement and activity patterns automatically monitored over extended periods. This technique would add a new dimension to the study of guarding dogs. Direct observation and intensive telemetry study will provide a much better evaluation of dog performance than can be obtained from cooperator questionnaires. They will likely indicate how performance can be improved or farm management practices may be altered to better utilize the dog's capabilities.

D. Test Dogs' Awareness of Wolves and Response to Their Presence in Pasture

A caged wolf will be placed in the pasture and the reaction of the dog observed. Wolf urine and feces will be applied to simulated scent posts around the pasture and the dogs' response determined. Simulated or recorded wolf howling will be played near the farm and the dogs' reaction observed. Conceivably, a dog's alertness to the presence of wolves and activity would be increased by these or similar procedures and thus its efficacy enhanced.

E. Evaluation

Evaluation of the study could be done in conjunction with U.S. Fish and Wildlife Service personnel. Service personnel already have expertise with the farmers' depredation problems and with wolves. In addition, they have the ability to use the appropriate tracking devices.

BUDGET

	Two year project	One year only
Salary - 1 field technician, 2 summers, 7 months/summer	$18,000	$ 8,800
Travel - truck purchase ($11,000), gas ($3230), oil ($50) truck maintenance ($1000)	15,280	13,140
Per diem for Technician - $23/day, 150 days/summer, 2 summers	6,900	3,450
Lodging for Technician - motel at $20/day for 300 days	6,000	3,000
Radio Tracking Equipment - receiver ($1,200), 8 transmitter collars (activity type, $2,400), 2 Rustrak recorders ($1,000), 4 antennas ($300)	4,900	4,900
Miscellaneous Equipment, Materials & Supplies - includes observation platforms ($300), spotting scope ($100), binoculars, etc.,	2,400	2,000
Dogs' Care, Training, Food, Shots, Etc., at NEFC	3,000	3,000
Calves - 8 at $200 each	1,600	1,600
Care, Food, Shots, Etc., for Calves at NEFC	500	500
Transport of Dogs and Calves from NEFC to Minnesota	2,000	2,000
Travel, Coppinger from NEFC to Minnesota	2,000	1,000
TOTAL	$62,580	$43,390

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Fish and Wildlife Service

	FY1985 Request (millions of dollars)
Aleutian Canada goose-Castle Rock NWR	$ 1.5
American crocodile-Crocodile Lake NWR	5.0
Bald eagle-Bear Valley NWR	0.4
Bald eagle-Karl Mundt NWR	0.3
Blunt-nosed leopard lizard	3.2
Bogue Chitto NWR	2.7
Bon Secour NWR	5.0
Brazoria NWR	0.5
California condor	4.0
Clear Creek gambusia	1.2
Coachella Valley fringe-toed lizard	5.0
Currituck NWR	3.5
Florida panther	5.0
Fox River NWR	1.0
Great Dismal Swamp NWR	1.5
Great Swamp NWR	1.8
Key Deer NWR	3.0
Kirtland's warbler	0.75
Kofa NWR	0.35
Lower Rio Grande Valley NWR	10.0
Lower Suwanee NWR	8.5
Masked bobwhite quail	3.0
Minnesota Valley NWR	4.3
Moapa dace	0.8
National Elk NWR	10.0
Ozark big-eared bat	0.5
Pahrump killifish	0.18
Parker River NWR	0.4
San Francisco Bay NWR	1.35
Tinicum NEC	3.4
Trustom Pond	0.65
Wertheim NWR	1.0
Acquisition Management	2.5
Total, Fish and Wildlife Service	$92.28

STATEMENT OF LYLE D. RANDEN, ADMINISTRATOR, WYOMING LAND QUALITY DIVISION

Wyoming's Coal Mine Regulatory Program and the Abandoned Mine Land Program are under the direct supervision of Lyle D. Randen, Administrator, Wyoming Land Quality Division.

This testimony concerns the funding and policies of the Office of Surface Mining with respect to both the Mining Regulatory and Abandoned Mine Land Reclamation Programs; Titles V and IV of Public Law 95-87.

I am requesting an additional $430,000 for the federal funding of the Cooperative Agreement; reduction of at least $1.4 million in the proposed allocation of AML funds for research and development work; and an increase in the appropriation of at least $1.0 million in the RAMP program to assure funding in projects in Wyoming.

Regulatory Program - Cooperative Agreements

The Surface Mining Control and Reclamation Act, Public Law 95-87 (known as SMCRA), authorizes states to regulate coal mining on federal lands through Cooperative Agreements. The Act also allows the Secretary to reimburse states for the amount which the federal government would have spent for such regulation in the absence of a Cooperative Agreement.

OSM originally implemented a flexible grant policy allowing each state to determine how to estimate, plan and account for expenditures in regulating coal mines on federal lands. In 1982, a new OSM administration changed this policy, adopting one which created for "federal lands" a budget definition resulting in yearly negotiations, therefore leaving the state unable to predict its budget.

This new OSM funding policy ignores past funding precedence. OSM attempts to identify program functions which they would perform on federal acres within a single permit area, ignoring the non-federal acreage within the same permit. Imagine the piecemeal permit that would exist if such misassumptions were true.

Wyoming believes that a separation of federal and non-federal acreage within a single mine is not possible from a technical viewpoint, responsibility viewpoint, or funding viewpoint. Technically a mine plan must be reviewed as a whole. It is impossible to separate a mine plan's hydrological, paleontological, geological, and biological analysis, to name a few, by federal and non-federal acreage. Likewise, it is impossible to separate work responsibility within a single mine plan. This is further evident by the fact that in the absence of the state, the federal government would evaluate not only the federal lands but the state and private lands included in the mine plan to insure maximum economic recovery of the coal, compatibility of the proposed post-mining land use with adjacent lands, and the probable cumulative impact on these lands. It follows that the associated funding necessary for mine plan review must reflect the work load responsibilities that the state has assumed for OSM. When a mine with leased federal coal is involved, a funding separation cannot be made between federal and non-federal acreage. 100% funding for the program costs of such a mine must be absorbed by OSM under the Federal Lands Program.

Furthermore, OSM's policy leaves Wyoming unsure about future funding. Shifting decisions by OSM on program elements and funding formulas undermine long range planning required for our legislative appropriation process. A budget year occurs only once every two years in Wyoming. If we "crystal ball" OSM funding and we are wrong, we could place the program in serious financial trouble. We need a stable process, one which matches program operation and considers the cycle aspect of the permitting and the repermitting process. If an annual work load approach to funding is used, hiring one year and firing the next makes Wyoming's Program unstable and filled with inexperience.

A funding policy must be developed by OSM that provides equitable reimbursement to the state for work conducted on federal lands mines, provides for stability of the State Program and personnel and predictability of funding levels. Until an equitable funding policy is achieved, I request that you fund Wyoming at a level of $1.6 million for FY-85 which represents an increase of $430,000 over that requested by OSM (see Table 4, pg. OSM-25, Appropriation Summary Statement). I would also encourage you to direct OSM to meet with states with Cooperative Agreements to arrive at an equitable funding formula that will achieve the objectives described above.

Abandoned Mine Land Reclamation

One year ago, Governor Ed Herschler and my predecessor approached this committee with many AML concerns. I am sorry to say that I am here today to address many of the same unresolved issues. The frustration level grows when one continually readdresses issues without response and resolve. Basically, the issues presented to you last year included adequate funding of state requests, reclamation priorities for coal and non-coal, subsidence insurance, and state sponsored research and development projects. I will address several additional items including apportionment of the Secretarial-Share, use of the National Inventory, OSM's proposed reclamation fund management and funding of a viable RAMP program.

Wyoming has requested of OSM for FY-85 a funding level for both administrative and construction grant applications of $50 million. I am concerned that OSM's State Reclamation Program Grants requests of $263 million may not be sufficient to meet all of the state's needs (pg. OSM-80, Appropriation Summary Statement). All of the approved state reclamation plans are well underway and the probabilities are great that the state can consume the monies requested. I would encourage the committee to compare the requests of the individual states to OSM's requested funding level to assure adequate funding. This will maximize construction efforts in the forthcoming years.

Wyoming continues to be concerned about OSM's funding policy for non-coal projects. As you well know, Wyoming's AML receipts should exceed our estimated abandoned coal mine expenditures. As the Governor has stated, "it makes little sense to delay projects for non-coal reclamation while we dot all the i's and cross all the t's for the remaining coal projects." I urge the committee to encourage OSM to use a flexible approach when authorizing reclamation projects under the priorities of Section 403 of the law.

In a recent letter from Director Harris to Governor Herschler, OSM appears to be pursuing a compromise solution to the subsidence insurance issue. Wyoming has some concern with the concept of a loan of money which the law specifically returns to the state for expenditure. I request that the committee continue to pursue the subsidence insurance approach as a means of alleviating demands on the fund and assure an adequate funding level in the FY-85 appropriation for those states having interest in this approach.

OSM is asking for research and development funding (see OSM-107, Appropriation Summary Statement) at a level of $1.9 million for FY-85. Many states view R & D work as a low priority in the AML program, similar to the level of priority given it by law. Therefore, funding of R & D projects should be through approved state reclamation plans at a funding level requested by the state. I suggest that OSM's budget under the Federal Reclamation Program should only be sufficient to administer an R & D screening process and literature file. I suggest the funding level for this activity be reduced to $500,000 for FY-85.

OSM's policy for apportionment of the Secretarial-Share monies continues to rely on the flawed national inventory. The inventory continues to be inaccurate. As an example, OSM has approved construction grants for Wyoming totalling greater than $30 million to abate priority 1 and 2 coal problems, with $8 million dedicated to the Rock Springs subsidence problems. Yet Table 15 and 16 (pg. OSM-92 and 100, Appropriation Summary Sheet) indicate that per the National Inventory, Wyoming's expenditure on priority 1 and 2 problem areas should only be $14 million with $126,000 for subsidence problems. Inaccuracies of the inventory aside, Wyoming does not believe that the inventory should be the sole tool upon which apportionment decisions are made. I would hope the committee would once again direct OSM to meet with the states and work towards an equitable solution.

As was stated last year, there are alternative approaches to an equitable allocation system. Wyoming, being the largest AML revenue producer is very interested in an equitable solution. The attached table represents one approach. It would provide for: (1) All historic coal producing states to receive 100% of their AML revenues; (2) The emerging coal producing states to receive an appreciable portion of the secretarial share revenue to assure equity in geographic distribution; and (3) Minimum annual programs be established in the balance of the states. This proposal would leave nearly $400 million for OSM to allocate from their perspective.

On a final note, I notice that OSM is gradually phasing the RAMP program out (see pg. OSM-110, Appropriation Summary Statement). Discontinuance of the RAMP program is in my view unfortunate. The RAMP program can serve as an additional resource to achieve the AML program objectives. The State SCS office has conveyed to me that they have sufficient high priority projects to consume about $0.5 to $1.0 million per year for the next five years. I encourage the committee to fund a viable RAMP program, at a level requested by the Secretary of Agriculture. I would also request that the committee direct OSM to fully utilize and fund RAMP.

PROPOSED APPORTIONMENT OF AML FUNDS: MINIMUM STATE PROGRAM AT $1 MILLION ANNUALLY 2/22/84

STATE/TRIBE	EST TOT RECEIPTS	STATE SHARE	METHOD ALLOCAT	PROPOSED ALLOCAT	MANAGEMENT FEE 4.5%	ACTUAL ALLOCAT	PERCENT TOTAL AML	RETURN SEC SHARE
ALABAMA	82,792	41,396	HIS	82,792	3,726	79,066	95.5	91
ALASKA	6,475	3,237	MIN	9,000	405	8,595	132.7	166
ARKANSAS	1,009	505	MIN	9,000	405	8,595	851.0	1,602
COLORADO	103,358	51,679	WES	67,183	3,023	64,159	62.1	24
GEORGIA	26							
ILLINOIS	236,662	118,331	HIS	236,662	10,650	226,012	95.5	91
INDIANA	137,021	68,510	HIS	137,021	6,166	130,855	95.5	91
IOWA	3,712	1,856	MIN	9,000	405	8,595	231.5	363
KANSAS	4,761	2,380	MIN	9,000	405	8,595	180.5	261
KENTUCKY	489,332	244,666	HIS	489,332	22,020	467,312	95.5	91
LOUISIANA								
MARYLAND	11,739	5,870	MIN	9,000	405	8,595	73.2	46
MISSOURI	29,186	14,593	HIS	29,186	1,313	27,873	95.5	91
MONTANA	241,904	120,952	WES	157,238	7,076	150,162	62.1	24
NEW MEXICO	80,207	40,103	WES	52,135	2,346	49,788	62.1	24
NORTH DAKOTA	52,726	26,363	WES	34,272	1,542	32,730	62.1	24
OHIO	175,213	87,606	HIS	175,213	7,885	167,328	95.5	91
OKLAHOMA	28,582	14,291	HIS	28,582	1,286	27,296	95.5	91
PENNSYLVANIA	392,004	196,002	HIS	392,004	17,640	374,364	95.5	91
TENNESSEE	34,450	17,225	HIS	34,450	1,550	32,900	95.5	91
TEXAS	79,266	39,633	WES	51,523	2,319	49,204	62.1	24
UTAH	39,831	19,916	WES	25,890	1,165	24,725	62.1	24
VIRGINIA	89,789	44,895	HIS	89,789	4,041	85,748	95.5	91
WASHINGTON	23,979	11,990						
WEST VIRGINIA	379,338	189,669	HIS	379,338	17,070	362,268	95.5	91
WYOMING	567,339	283,670	WES	368,770	16,595	352,176	62.1	24
CROW TRIBE	15,256	7,628	MIN	9,000	405	8,595	56.3	13
HOPI TRIBE	5,387	2,693	MIN	9,000	405	8,595	159.6	219
NAVAJO TRIBE	67,672	33,836	WES	43,987	1,979	42,007	62.1	24
TOTAL	3,379,016	1,689,495		2,938,366		2,806,129	83.0	66

AVAILABLE FOR FEDERAL RECLAMATION PROGRAM.... 440,650 19,829
TOTAL MANAGEMENT FEE 152,056

Explanatory Notes

All dollar values in thousands, (`000).

Column 2: Total receipts from OSM projections.
Column 3: State share is one-half of receipts, as is the Secretarial share.
Column 4: "His" represents 100% of AML revenues.
"Min" represents the minimum program for the remaining nine years.
"Wes" represents percentage assigned to other states.
Column 6: This is an estimate, based on detailed budget documents of the funds required for: fee compliance, grant reviews, and OSM administration.

1. Program expenditures for emergency projects, RAMP, SOAP, and R&D are credited to allocation.
2. AML expenditures for contracts or cooperative agreements are credited to allocation.
3. OSM direct costs credited towards management fee.

Statement of Clifford Honahnie and Eugene Kaye, Hopi Tribal Council

The written testimony which is being submitted by Clifford Honahnie and Eugene Kaye of the Hopi Tribal Council describes the continued commitment required for funding: 1) to develop the curriculum and operational plan for the Hopi Junior-Senior High School; 2) to reestablish the Hopi Medical Center as a top priority with the desired design and planning funds for the coming fiscal year in accordance with legislative mandate; 3) to build a Multipurpose Center at Polacca Day School for sports events and other recreational and social activities; 4) to continue the Hopi/Navajo Turquoise Trail, and 5) to reimburse the Hopi Tribe for funds expended under the 1934 Boundary Bill Litigation in compliance with the legislation stating that the costs be borne by the Federal Government. Equally important is 6) the presentation for testimony for funds that are required in the Water Rights Litigation of the Little Colorado River.

The Hopi Tribe is pleased to submit this written testimony to the Appropriations Committee of the United States Senate. We understand our testimony is to be limited to three single spaced pages for the sake of succintness and directness. Our concerns are simple but essential for our development as a people residing in our ancestral and remote lands in northeastern Arizona.

One of the first contacts made by our forefathers in Washington was to request for assistance in securing educational facilities for the Hopi people. After long struggle and continued perseverence we were allocated an amount necessary to construct our Junior-Senior High School. A high school is essential to maintain our culture and to further educational excellence among our youth. We now request from you $200,000 to develop the curriculum and operational plan for the high school. The program aspects of the high school are equally as important as its construction. We wish to start the planning now, otherwise we will have a high school without a curriculum or we will have a curriculum hastily planned and not aligned with our local needs.

Another educational need is the Multipurpose Center at Polacca Day School. This includes a multipurpose room to meet the children's recreation and social needs by providing a dynamic physical education program and facility for school and community assemblies. The Polacca Day School Multipurpose Facility was designated third on the BIA Construction Priority List in 1969. In 1970 the Facility was ranked seventeenth. In 1975 the Facility no longer appeared on the listing. We wish the Facility reinstated as a high priority so that the Bureau funds it in the amount of 2.5 million for Fiscal Year 1985.

The construction of a new Hopi Medical Center is needed and recognized in the Hopi and Navajo Rehabilitation Act (P.L. 96-305), specifically 27(C) where the Secretary of Health and Human Services shall assign "the highest priority" for the construction of the Medical Center.

We have documented our need for a Medical Center Facility to everyone's satisfaction, including the Phoenix Area Director of the Indian Health Service. We therefore request that the Secretary reinstate this project as its highest priority and Congress appropriate funding for the design work in the amount of $3,263,000. and also that it appropriate the funds necessary to construct the entire Hopi Medical Center in today's dollars of 48 million.

Necessary for any government is a sound infrastructure. One part of that infrastructure is roads. The Hopi Tribe and the Navajo Tribe have embarked on a joint venture to build a 55 mile highway which will yield benefits for both tribes and society as a whole. The road, known as the Hopi/Navajo Turquoise Trail, will interconnect Arizona State Route 264 and U.S. 169. The road will not only bring added commerce and employment to the Tribes but also the venture furthers cooperation between Hopi and Navajo. Both tribes are in the design phase and ask for continued support for the road in the amount of $38.2 million in today's dollars; completion of the Trail is anticipated to be in March, 1987.

The Hopi Tribe is known for their reason and holding to their agreements. In return, we wish and request that the Federal Government hold to their promises. Under Public Law 96-305, Section 29, the Federal Government is to pay attorney's fees and expenses involving the work required for the 1934 Boundary Bill Litigation. This litigation involves lands which are claimed by both the Hopi Tribe and the Navajo Tribe. The Hopi Tribe has expended over $250,000 in expenses since July 11, 1981 that is awaiting reimbursement from the Federal Government (not including the interest charges which have been absorbed by the Hopi Tribe). We are not a rich government (otherwise Congress would not see fit to allocate funds for this purpose among other reasons); therefore, we expect the reimbursement of these expenses and any further expenses (including interest) be made to the Hopi Tribe as soon as possible.

A final request is for adequate funding for adjudication of our water rights in the Little Colorado River. Litigation is presently underway in the Arizona State Courts to determine the respective rights of water users in the Little Colorado River Basin. Based upon a Supreme Court ruling (Navajo Water vs. United States et al), tribal water rights are to adjudicated in the State Courts.

The Supreme Court decision and our local situation has placed us in a position to request for funds since the litigation involves conflicting rights of the Hopi and Navajo Tribes (by virtue of the 1882 and 1934 Reservations), the United States and perhaps other tribes. As trustee for the Hopi Tribe, the United States through the Department of the Interior, has an obligation to assert and defend the water rights of the Hopi Tribe. The United States also has a similar obligation to the Navajo Tribe, and perhaps to other tribes. The United States may well also have purely federal interests which are inconsistent with the tribal rights. The United States would thus be in a conflict of interest position in regard to the water adjudication and would not be in a position to defend the Hopi Tribe through its Bureau of Indian Affairs.

In order to adequately defend our aboriginal and legal rights and to receive our just claims to the Little Colorado, we are requesting an amount of $1.1 million for legal costs, outside experts including geologists, historians and hydrologists, and in-house technical assistance involving planning, developing and managing our water claim.

Because a deadline has been set on the water litigation in the State Courts for June, 1985, we are requesting a supplementary amount of $600,000 for this year so we may begin to research and to defend our water rights immediately.

The areas mentioned include requests for program aspects of the High School, a Multipurpose Center for Polacca Day School, design monies for the Medical Center, funds for the Hopi/Navajo Turquoise Trail, expenses for reimbursement for the 1934 Boundary Bill and funds for us to defend our water rights of the Little Colorado. Further information will be provided when we visit your offices this week. In addition, visits will be made by the Chairman of the Hopi Tribe in March. He is unable to attend these meetings due to health reasons.

We wish you to honor our requests and help us further our goals as a people who contribute significantly to the social and economic development of this country.

THE HOPI HOSPITAL

Historical Abstract/The Situation Now:

Although a Hopi medical center has been a collective goal of the Hopi people for much longer, it began to take on a certain concreteness with efforts deriving from the Indian Health Care Improvement Act (P.L. 94-437) of 1976. This public law enabled tribes to formulate tribal specific health plans—the Hopi Tribe contracted with Arno & Associates of Santa Monica, CA for the development of a Hopi Tribal

Specific Comprehensive Health Plan (TSCHP), which was completed in March 1979, in faithful compliance with this law.

The TSCHP found evidence to justify a Hopi hospital complex centrally located in the reservation, and it suggested two initial steps--the formation of a Hospital Task Team and the completion of a hospital complex feasibility study. Both of these the Hopi Tribe again faithfully dispatched by 1980 (the Feasibility Study was done by Barnes, Landes, Goodman & Youngblood of Austin, TX).

Then came the long debated (arbitrated periodically since the 1950's) Navajo-Hopi Settlement Acts (P.L. 93-531 and P.L. 96-305) of 1980. The Hopi people felt so strongly about a medical center that it was made for the Hopi a cardinal term of the whole overall settlement. This term was vital to Hopi acceptance of the entire Act (along with construction of a Hopi high school). Consequently, in Section 27(c) of the Act, the U.S. Congress issued a directive to H&HS that:

> ". .the Secretary of Health and Human Services, as appropriate, shall assign the highest priority, in the next fiscal year after the date of enactment of this subsection to the funding and construction of the Hopi high school Hopi medical center consistent with any plans already completed and approved by appropriate agencies of the respective departments."

And so, the Hopi Tribe developed a plan for a hospital, and Congress committed the government to fund and build one. H&HS, as yet, has not produced an appropriations request for a Hopi medical center in compliance with this governmental commitment.

The Indian Health Service has developed a methodology for evaluating which construction projects should be higher priority and utilizes this system to rank hospital construction projects. Projects are then completed in that order. In 1981, IHS ranked the Hopi medical center as No. 9 on its list. This methodology is supposedly objective and mathematical and applied to all IHS service units; so that, there should be a permanence to the rank a project receives, and it should move upward on the priority list as the higher ranked projects are prosecuted. In addition to the ranking of No. 9 and as a consequence of the Settlement Act directive, the sum of $800,000 was identified by IHS for use for design work on the medical center (Tab C). Then suddenly in arbitrary actions, this money was withdrawn, Hopi medical center essentially disappeared from IHS's construction priority list (remember it was No. 9 by their own objective system), and Congress' commitment and the intent of the law have gone unfulfilled.

The Hopi Tribe litigated against the Department of H&HS for design appropriations and reinstatement of the Hopi medical center as a priority in light of these arbitrary actions and breaches of good faith. We include a copy of an H&HS memorandum documenting their posture and strategy in these matters (Tab D). The Tribe is angry and frustrated with these actions and the intransigence of the executive agencies. At the District Court level, the judge declined to even hear the appeal. In January, 1984, the Tribe presented its appeal to the U.S. Circuit Court in San Francisco--the appeal was denied. The Tribe's legal counsel has advised that the appeal be dropped--that the judicial system cannot help with the medical center (Tab F).

Meanwhile, the Tribe has still been following the project development process by contracting with a professional engineering firm, Johannessen & Girand of Phoenix, AZ, to complete site development cost estimates. This has cost $10,000 of tribal money to execute; in order, to move forward with the project while the appeal process was being pursued. The site development technical study was accepted by the Tribe in December of 1983.

This is the status of the Hopi medical center project at this date. After commitments and promises from the U.S. Government, a medical center is still not constructed, and the prospect of one being built lies solely with the action of Congress,it appears. In the project development process, we are at an impasse. We are ready for the architectural design stage and need funding for at least this work. The Hopi Tribe is determined to move forward in 1984.

The Existing Facility:

The existing hospital facility at Keams Canyon is inadequate to present and future Hopi (and very significantly Navajo health care needs as 50% of Keams' workload is Navajo) health care needs for several reasons:

1. The location, because of travel times and road and climatic conditions, presents real accessibility limitations/problems for major portions of the Service Unit population (see Tab G).
2. The facility has physical plant/safety deficiencies due to landfill subsidence, obsolescence, and wear (see Tab H and Tab G--please note that the engineering report from IHS of cost to bring the Keams hospital into standards compliance is in '81 dollars).

3. The floor and space plan of Keams makes it functionally obsolete in numerous ways in light of present workload for certain departments and current medical care delivery modalities.
4. There is no physical way that Keams can expand to accommodate future need/change, as it is located in a box canyon (Tab G).
5. The hospital is presently 60% staffed by IHS criteria.

These are the categories of problems with the existing Keams Canyon facility. They are corroborated by the TSCHP, the Feasibility Study, The Hopi Health Dept., and various IHS personnel at the Phoenix Area Office (see Tab A) and the Keams Canyon Service Unit (including Dr. Charles North, the current Service Unit Director).

Plan of Approach:

Presently, the Hopi hospital is far down on IHS's construction priority list. There is realistically remote chance of a Hopi hospital for years via that system (though it remains inexplicable how it dropped from No. 9 out of sight). The Tribe sees its best opportunity to move forward in reminding Congress of its commitment to give the highest priority to the funding and construction of a Hopi medical center and appealing for its support and action in funding design phase activity now and following through with appropriations for construction thereafter.

Therefore, the Hopi Tribe requests this Subcommittee and Congress to act in the following manner:

1. Mandate that the Dept. of Health & Human Services and the IHS instate and maintain the Hopi medical center as one of their five top priority construction projects until its completion.
2. That Congress appropriate this year funding for the design work in the amount of $3 million (see the project cost sheet following); and also, that it appropriate the funds necessary to construct the entire Hopi medical center (total of $48 million; see the cost sheet) the subsequent fiscal year.

HOPI MEDICAL COMPLEX PROJECT COST ESTIMATE SHEET

Estimates are based upon the Feasibility Study and subsequent construction industry information provided by Barnes, Landes, Goodman & Youngblood of Austin, TX; and, they are current to 3/84.

ITEM	COST ESTIMATES
Acute Care Hospital (45 beds and 60435 GSF including fixed equip.)	10,356,141
Skilled Nursing Facility (34141 GSF)	5,850,402
Intermediate Nursing Facility (29648 GSF)	5,080,481
Alcohol Rehabilitation Center (17789 GSF)	3,048,323
Children's Shelter (8445 GSF)	1,447,135
Staff Housing:	
Attached units (46400 SF)	1,542,373
Detached units (85000 SF)	2,825,466
Site Development	7,172,663
TOTAL CONSTRUCTION COSTS	$37,322,984
Design Costs (8% of total constr. costs)	2,985,839
Moveable Equipment (10% of constr. costs)	3,732,298
Owner's Construction Expense (1% of TOTAL)	373,230
Owner's Reserve Contingency (8% of TOTAL)	2,985,839
TOTAL PROJECT BUDGET ESTIMATE	$47,400,190

STATEMENT OF LARRY KINLEY, CHAIRMAN, LUMMI INDIAN TRIBE

The Lummi Indian Tribe, geographically located on the Northwest Coast of Washington State, currently operates the largest American Indian fishing fleet in North America. A majority of the 2500 enrolled Lummi Tribal members depend on the fishing industry, either as independent fishermen or as employees in commercial Tribal ventures, for their livelihood. Although the reservation land has minimal natural resource value the reservation borders prime commercial fishing and recreational boating areas as well as traditional shipping lanes. The future self-sufficiency of the Lummi Tribe depends on the management, enhancement, and harvest of the fisheries resource and the carefully planned utilization of a natural harbor area.

The anadramous salmon fisheries is integral to the Lummi Tribal economy and culture. Since 1969, the Lummi Tribe constructed two salmon hatcheries to strengthen this renewable resource and, over 50 million salmonid fingerlings have been reared and released by the Lummi Tribe. The adult salmon returning from the Lummi hatchery efforts are estimated at over 14 million pounds of fish valued at over $28 million dollars. As documented by the BIA, Tribal hatchery operations along the Washington coastline contributed almost one-fourth of the salmonid released in Washington State in 1982 to be caught on their return by all user groups. The Lummi Tribal hatchery operation is a principal contributor to this anadramous fisheries.

Congress appropriated $375,000 in Lummi Tribal hatchery operating funds in 1978. This appropriation level has become the base support in the BIA budget request to Congress each year. Inflation costs for labor, power, and feed coupled with expanded production plans to release over 6 million more salmonids reqiures an FY85 appropriation at $450,000.

Major renovations and expansion on existing facilities to modernize operations, reduce production expenses, and increase annual yields will require an appropriation of $777,500. The major elements necessary for this renovation and modernization project include:

1)	modification of egg incubation process	$98,000
2)	construction of permanent residence facilities at the isolated hatchery location	50,000
3)	expansion and improvements of rearing ponds	264,500
4)	renovation of fry rearing water re-use system	225,000
5)	redesign of fresh water pump station on Lummi Bay	80,000
6)	renovation of Lummi Bay rearing pond	60,000

The investment by the Federal government in the Lummi hatchery renovations and expansions is estimated on a benefit to cost ratio to improve for each program dollar expended from the current $3.84 to $5.34 return for Washington State fisheries and from $7.38 to $9.52 return for the West coast fisheries. These benefits are spread among all user groups including the multiplier effects the commercial and recreational fisheries support systems.

The Lummi Tribe plans to build a commercial and recreational marina. Engineering studies by the Corps of Engineers are currently near completion. The planned harbor facilities will take advantage of commercial traffic from Alaska and the Near East for Export-Import purposes with recreational mooring and support facilities to capitalize on the proximity of the San Juan Island recreational boating areas. The Lummi Tribe currently needs a major road to lead to the marina for transportation access accommodating commercial-recreational facilities and construction transport. We are seeking these road construction funds through the existing appropriations available under P.L. 97-424, The Surface Transportation Assistance Act. As regards the marina, we urge this Committee to restore the appropriations for the Economic Development Administration proposed for elimination by the administration again in FY85.

The primary concern of the Lummi Tribe is the well-being of the Tribal membership ranging from family stability and housing to the social infrastructure requirements of health, social, educational, and community services. The current administration exhibits a surpising disregard for these basic human needs and we urge this Committee to restore support for human service delivery systems.

The Lummi Tribe is particularly concerned with its limited law enforcement capabilities. The Tribe is located in close proximity to metropolitan areas which creates understandable juridictional tensions and criminal activity. The Lummi Tribal Policy force consisted of six officers in 1980 handling 395 incident reports resulting in 124 arrests. In 1983 with only 2.5 full time officers, incident reports totalled 776 with 316 resulting arrests. The minimal available wages, stress from attempting to provide 24 hour coverage, lack of equipment and equipment failure all contribute to low morale and high turnover rate among Tribal policemen. Support resources from LEAA, CETA, and the BIA have been reduced to only the BIA due to program abolishments by this administration while incident reports and/or complaints have increased 196 percent. These statistics, unfortunately, spell trouble for Tribal citizens.

Beside the lack of adequate protective police force, inter-agency conflicts over jurisdiction and investigation from potential county and FBI support resources further aggravates the law enforcement situation. According to recent Supreme Court rulings , Inidan police officers are prohibited from arresting non-Indian committing crime on the reservation and must refer these criminals to non-Indian sources. Criminal investigative capabilities are with personnel in the BIA or FBI. Limited Federal agency investigators and the apparently low priority afforded the Lummi Tribe has resulted in only one conviction for 57 majo major crimes on the reservation in the last two years. We deperately need an increase in police personnel, improved equipment, specialized training for officers, an investigative capacity to stem and reduce this trend of increasing criminal activity, both Indian and non-Indian, on the Lummi Reservation. An adequate police force will require $166,000 in FY85.

In the health field, the Lummi Tribe adamantly opposes the continued efforts by the administration to abolish the effective Community Health Representative (CHR) program. The CHR program represents a vital link between the community and the clinic serving to reduce useage of the limited clinic capacity with home counseling and support services to alerting trained medical staff to emerging health problems. We strongly support the testimony of the Portland Area Health Board and the re-authorization of the Indian Health Care Improvement Act. And the Tribe seeks increased support for training local health staff and establishing community environmental health programs encompassing clean water, clean air, and an improved awareness of health hazards.

The Tribe is concerned that the Indian Health Service has been submerged during this administration under increasing layers of bureaucracy in the Department of Health and Human Services. Although not the charge of this Committee, we urge consideration of establishing an Assistant Secretary for Indian Health in the DHHS to raise the level of priority concern for Indian Health needs across the Department. In regards to the Department, we also express strong support for the reauthorization of the Administration for Native Americans as an important contribution to Tribal social and economic development.

The Lummi Child and Family Services program provides an extremely important professional support function to those Tribal members most in need. These services currently handle 135 wardships and 18 foster placements , as well as the oversight of 8 authorized foster homes with a total capacity of 28 children. Child abuse, including sexual abusement, is a critical concern for the Child and Family Services staff. A model multi-disciplinary project, named the "flying squad," provides for a pediatrician, mental health counselors, case workers, and police to meet On specific cases and develop comprehensive treatment approaches for the offender, victim, and family. A general increase in appropriations for social services is requested for Tribal governments to provide basic service needs. In particur, the Indian Child Welfare Act should be provided increased appropriations to allow all Tribes to participate in this most worthwhile program rather than the current BIA practice of supporting projects based on proposal merit.

The Lummi Tribe purchased a vacant school facility adjacent to the reservation in FY83 to house a Tribal school for children grades K-8 serving approximately 80 students. The established kindergarten program and grade school program was expanded several years ago to accommodate students ages 13-14 who have been alienated from public school systems. These teenage children, vulnerable to dropping out of school and life opportunities due to learning deficiencies and the need for individualized tutoring, receive specialized education services from certified professional teachers. Counseling and support services are provided by the Lummi Child and Family Services.

The Lummi Tribal school, certified in the State of Washington, provides an important educational service to these vulnerable youth. The structural facilities ranging from the gymnasium ceiling and boiler system to kitchen require extensive renovation and repair. Transportation for children curretly relies on an old van and borrowed unreliable GSA vehicles. Unfortunately BIA support has been limited with the BIA determining the school ineligible for JOM funding. How is it reasonable for public schools to be eligible for JOM funds and legitimate Tribal schools labelled ineligible? The Lummi Tribe requests an increase of at least $50,000 in FY85 to provided individual tutorial, basic skills, and counseling services and a multi-cultural curriculum for these Lummi Tribe members. The Lummi Tribe has secured private funding to allow Lummi elders to pass cultural knowledge and skills to these students in a structured environment. The Tribe has borne the capital outlay to purchase the facility, but cannot affort to underwrite the cost of the education process.

The Lummi Community College has evolved into an educational resource for the Lummi Tribal community and as a potential post-secondary training facility for Pacific Northwest Tribes. The college with approximately 80 students is currently receiving limited funding through the FTE enrollment allocation formula shares. Through a 638 grant, the college will provide specialized training to the Tribal Council and staff in management roles and responsibilities. The Tribe envisions with Federal support an expanded role for college faculty to serve as extension agents in training Tribal fishermen in business management, boat maintenance, repair of equipment, and entrepreneurship options for business expansion. If successful, this program could be transported to other Tribes to enhance their individual and Tribal economic ventures in fisheries.

In closing, the Lummi Tribe wishes to express concern over the appropriation process and timely Advice of Allotments. Although the BIA appropriations became law early in the fiscal year, tentative Advice of Allotments weren't released until February, 1984. The mysterious ADP issue needs resolution in this fiscal year to ensure that Tribal governments receive their final appropriations early in the year for Tribal stability and planning. And we request that this Committee review the indirect cost issue this fiscal year from the perspectives of both the BIA plans to consolidate Contract Support Funds and program funds as well as recent Inspector General rulings on Tribal indirect cost over and under recovery determination.

STATEMENT OF JANINE PEASE-WINDY BOY, PRESIDENT, AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM

Honorable members of the Committee, my name is Janine Pease-Windy Boy. I am President of the American Indian Higher Education Consortium, and am presenting this testimony on behalf of the nineteen member colleges of the Consortium, located throughout Indian Country: five in Montana, five in North Dakota, four in South Dakota, and one each in Arizona, Nebraska, Washington, California and Wisconsin.

The member colleges of the American Indian Higher Education Consortium range in age from two to fifteen years. These tribal colleges have evolved into comprehensive colleges providing sophisticated training to meet both traditional, academic and developmental needs of their respective tribes. Four colleges have achieved full accreditation, eight others are candidates for accreditation, while others are in progressive stages of development toward accreditation.

Public Law 95-471, The Tribally Controlled Community Colleges Assistance Act of 1978 was reauthorized and amended during the past session of the Congress by Public Law 98-192. This significant piece of legislation has enabled eligible tribal colleges to receive sorely needed financial support.

THIS TESTIMONY IS PRESENTED IN REGARD TO APPROPRIATIONS FOR PUBLIC LAW 95-471 as amended by PUBLIC LAW 98-192, for FISCAL YEAR 1984, FISCAL YEAR 1985 & FISCAL YEAR 1986.

FISCAL YEAR 1984

Supplemental appropriation needed .... $ 1,146,776.00

Actual appropriated for Title I...$6,440,000.00
Amount needed to bring FTE up
to $2,812/FTE for 2698 FTE....$7,586,776.00
- 6,440,000.00
$1,146,776.00

Title I colleges current appropriation is $6,440,000.00, representing support for 2,290 FTE as $2,812/FTE. The growth in enrollment is shown in Fall term actual FTE of 2,556 FTE.

Title I colleges have received contract amendments reflecting actual Fall FTE, for an allocation of $2,519/FTE, $300 less than legislated support for FTE.

Projected final enrollment, compiled by AIHEC, is 2,698 FTE. With current appropriation, FTE support falls to $2,386/FTE, ranking tribal colleges at 51st in State FTE support by state colleges, and half that provided for BIA post-secondary schools.

Several aspects of 95-471 as amended by 98-192 impact the appropriations process for Fiscal Year 1985 and 1986:

Title I, Section 2.(a)(7), calls for INDIAN STUDENT COUNT, a counting method on the basis of credit hours of all Indian students divided by 12, with summer term added on to Fall term count, and continuing education credits. This student counting method results in totals 10% to 15% greater than the previously used method.

Title I, Section 11.(b)(7), requires FORWARD FUNDING, such that appropriations can be available for obligation on July 1 of each year, through September 30 of the following year. Also, that the transition shall be made by an appropriation act to the same fiscal year containing two separate appropriations. FORWARD FUNDING provides the tribal colleges stability in fiscal practice and in planning. This will erode the established pattern of December receipt of initial operating funds.

Title I, Section 113, (a), provides for a G.S.A. study of college facilities to determine construction needs.

Title I, Section 113.(a) & (c) provides grants for construction not to exceed 80% of construction costs, and that no tribal college be required to expend more than $400,000 in fulfilling the portion of such construction.

Title III, Sec. 302.(a), establishes a program of endowments, and from amount appropriated, allocation to each tribal college on a dollar for dollar match, not to exceed $350,000.

FISCAL YEAR 1985, Tribally Controlled Colleges

Title I, Grants .... $ 9,300,000.00

Amount needed to guarantee $3,000/ISC for tribal college enrollment of 3,100 ISC. Projected enrollment reflects transition from FTE student counting method to ISC, yearly average growth and 6% cost of living increase.

Title I, Construction .... $ 250,000.00

Amount needed for the GSA study of college facilities to determine construction needs.

Title I, Technical Assistance......... $ 232,500.00

Amount needed for $75/ISC for Technical Assistance.

Title III, Endowments................ $ 1,500,000.00

Estimate of college endowment contributions for FY 1985.

The American Indian Higher Education Consortium data on enrollment varies dramatically with that in the President's proposed budget for FY 1985.

AIHEC	Presidents Budget	Difference
ISC - 3,100	FTE - 2549	-551
$ 3,000/ISC	$ 2,390/FTE	-$ 610
10% growth rate	no growth	
10% change-ISC method	FTE method	
6% cost of living	no cost of living	

FISCAL YEAR 1986, Tribally Controlled Colleges

Title I, Grants .... $ 11,400,000.00

Amount needed to guarantee $3,200/ISC for colleges enrollment of 3,565 ISC. Projected enrollment reflects yearly average growth and 6% cost of living increase.

Title I, Construction .... $ 10,000,000.00

Tribal colleges in the network now funded by Title I of this act, with accreditation complete by FY 1986:

1. Blackfeet Community College, Browning, MT
2. *D. Q. U., Davis, CA
3. Dull Knife Memorial College, Lame Deer, MT
4. Nebraska Indian Community College, Winnebago, NE
5. *Oglala Lakota College, Kyle, SD
6. Salish Kootenai Community College, Pablo, MT
7. *Sinte Gleska College, Rosebud, SD
8. Standing Rock College, Fort Yates, ND
9. Turtle Mountain Community College, Belcourt, ND

*Colleges now having FULL ACCREDITATION.

Title I, Technical Assistance............ $ 267,375.00

Amount needed for $75/ISC for Technical Assistance.

Title III, Endowments .... $ 1,500,000.00

The American Indian Higher Education Consortium presents data and amounts needed for Title I and III of the act, while none is listed in the President's Proposed Budget for FY 1985. FORWARD FUNDING, as a provision of the act, is apparently disregarded.

STUDENT OUT-COME DATA:

The American Indian Higher Education Consortium has done a sample of five (5) Tribally Controlled Community Colleges located in Montana, North Dakota and South Dakota to measure the outcome of its services to students. This measurement is focused on hard data and reflects what has been done on the reservations in terms of human resource development since 1973.

Not reflected in this data are the special relationships Tribal Colleges have developed with Tribal Governments, Employers of all kinds and local federal governmental agencies. These special relationships are partnerships where the colleges have agreed to train people already on the job for specific tasks needed by the employer. These types of relationships are becoming more frequent and have done much to promote employment in the Tribal communities. This type of student won't show up in graduate data because to graduate isn't the goal. Rather leraning of specific skills is the desired outcome.

The following information tells a large part of the story of the Tribally Controlled Community Colleges and the positive impact on their reservations:

A. Number of graduates, 670, 1973-1983.

B. Number of 1984 graduates, 184

C. Certificates granted for VO-Ed, 538, 1973-1893

D. Types of degrees granted (1) 47 Bachelor of Science
(2) 539 Associate of Arts
(3) 132 Associate of Science

E. Number of graduates transferred to four year institutions 249 or 40%

F. Number of transfers graduating from four year schools, 211 or 85%

G. Percentage of TCCC graduates employed, 73.88%

H. Percentage of TCCC graduates unemployed, 26.12%

I. Average unemployment on five reservations, 78.6%

Schools which participated in this survey are Standing Rock College, Oglala Lakota College, Turtle Mountain Community College, Salish Kootenai College and Little Big Horn College.

NORTH DAKOTA TRIBALLY CONTROLLED COLLEGES

The Tribally Controlled Colleges of North Dakota have become an important and viable part of their respective Tribes development in education, economics and self-sufficiency. Turtle Mountain Community College, Little Hoop Community College, Fort Berthold Community College, and Standing Rock Colelge have all contributed to the training, research and development of the people so necessary for tribes to continue to advance and have true self-determination.

The North Dakota Tribally Controlled Colleges have a history of service to their respective Tribes and communities dating back to 1973. The Colleges will continue to serve on many task forces and special committees at the request of their tribal government and local communities.

One aspect of the North Dakota Tribal Colleges which has become an important factor is their pursuit of quality education through the accreditation process. The North Dakota Tribally Controlled Colleges have all gained candidacy status through North Central Association. Standing Rock College and Turtle Mountain Community College will both have final visits in April, 1984 for full accreditation. This has been made possible through resources made available from P.L 95-471 and now P.L. 98-192. This legislation gave the support Tribally Controlled Colleges needed to convince North Central Association that Tribal Colleges are long term and viable higher education Institutions for their people.

Based on the above North Dakota Tribally Controlled Colleges recommend to Congress that it fully fund the American Indian Higher Education Consortium request for fiscal years 1985 and 1986.

STATEMENT OF THE STANDING ROCK COLLEGE, FORT YATES, N. DAK.

The Standing Rock Sioux Indian Reservation, located on the west bank of the Missouri River, consists of approximately 2.3 million acres. The climate is arid with an average rainfall of 15 inches per year, and temperatures range from 100 degrees in Summer to 40 degrees below zero in winter.

Transportation and communication are problems on the reservation. There is no public transportation and distance between communities is great. Only a few highways cross the region. Service roads maintained by the Bureau of Indian Affairs and counties are poor and often impassable in winter and spring. Because of generally low income levels, few people have telephones. Rural isolation, then, is characteristic of the reservation.

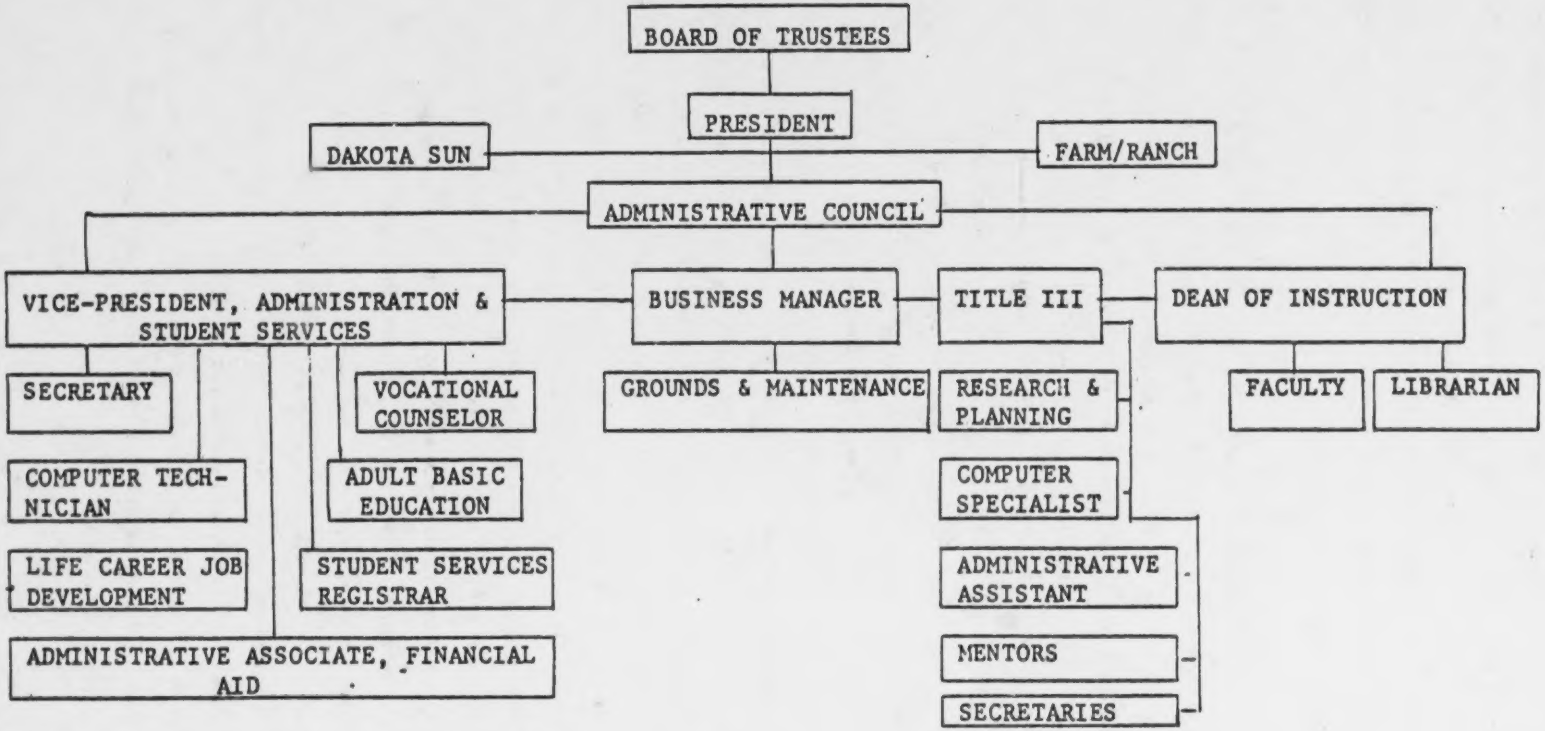
There are 8,197 American Indians, mostly of the Hunkpapa band of the Teton Sioux, living in the area. Of these, 2,906 are under the age of sixteen. Approximately, 5,000 non-Indians reside within or near the reservation boundary.

Indian and non-Indian populations differ. The Indian population is younger than the non-Indian population, and it is increasing more rapidly. According to 1980 census figures, the median age for North Dakota Indians was 16.4 years. The Indian population of North Dakota more than doubled between 1960 and 1980, and increased over 50% during the last decade alone. The statistics on poverty for the Standing Rock Indian Reservation point to some of the more harsh realities of reservation life. In a 1983 Census of the Bureau of Indian Affairs, it was found that 79% of the potential reservation labor force was unemployed. Accurate information on Indian income is limited; however, according to figures in 1977, average Indian per capita income was 25% of U.S. per capita income. High unemployment and low incomes can be attributed, in part, to inadequate education.

Given the information presented in the preceding paragraphs, it is clear that Standing Rock Reservation is remote, poor, and without a great deal of hope for the immediate future.

STANDING ROCK COLLEGE

ORGANIZATIONAL CHART


BOARD OF TRUSTEES
PRESIDENT
DAKOTA SUN
FARM/RANCH
ADMINISTRATIVE COUNCIL
VICE-PRESIDENT, ADMINISTRATION & STUDENT SERVICES
BUSINESS MANAGER
TITLE III
DEAN OF INSTRUCTION
SECRETARY
COMPUTER TECHNICIAN
LIFE CAREER JOB DEVELOPMENT
ADMINISTRATIVE ASSOCIATE, FINANCIAL AID
VOCATIONAL COUNSELOR
ADULT BASIC EDUCATION
STUDENT SERVICES REGISTRAR
GROUNDS & MAINTENANCE
RESEARCH & PLANNING
COMPUTER SPECIALIST
ADMINISTRATIVE ASSISTANT
MENTORS
SECRETARIES
FACULTY
LIBRARIAN

One solution to the problems that face this reservation is to provide quality higher education at local sites so that individuals have the skills necessary to develop a better life on the reservation and compete in the larger society surrounding Indian country.

Standing Rock College (SRC) is a small tribally controlled community college located on the Standing Rock Sioux Indian Reservation in North Dakota and South Dakota. SRC is a candidate for accreditation with the North Central Association of Colleges and Universities and will be visited in April of 1984 for its final evaluation in its quest for full accreditation.

Course offerings consist of a basic two-year libertal arts program designed for transfer, a business education program, occupational education programs, an agricultural education program, and upper division courses in conjunction with Minot State College (Minot, North Dakota). The College also offers Adult Education courses for the reservation.

SRC has been operating since 1972 and presently has an enrollment of 260 students with an FTE of 224. SRC also owns and operates the Sioux County newspaper and assists the Tribe in various projects such as a Irrigation Project, JTPA training program, and workshops.

SRC has fulfilled a previously unmet need on the Standing Rock Reservation. This is reflected in the number of graduates it has produced since 1976. Most of the graduates had only SRC to turn to for higher education because of job commitments, family obligations, and geographic and cultural isolation.

The impact in numbers for 1975-1983 is as follows:

° Associate of Arts Degree	97 graduates
° Associate of Science Degree	21 graduates
° Bachelor of Science Degree	40 graduates
° Nursing Certificate	15 graduates
° Clerical Certificate	4 graduates

SRC's impact on its community will continue to be positive and productive in 1984 which will see its largest graduating class of 36 graduates.

P.L. 98-192, TCCC Act, will continue to have a major positive impact on SRC by providing it the resources to do the job on the SRSR. These resources have stabilized SRC's long range planning process, its budgeting process and built confidence in the institution through-out the communities and in the Higher Education world.

By re-authorizing P.L 95-471, Congress and the President demonstrated its belief and support in the mission of the TCCC's.

Some of the immediate positive effects of Public Law 98-192 are felt in the following areas:

1. Staff: SRC is able to hire more and qualified instructional staff. Previous instructional staff had been severely overloaded in their course load and many part-time instructors were needed. Now more full-time instructors are on board and the need for part-time instructors has been reduced. This brings continuity and a better learning environment to SRC for its students.
2. Accreditation: SRC has been able to work more diligently on the recommendations from North Central Association for full accreditation.
3. Curriculum Development: SRC has now the time and administrative staff to focus on projects which upgrade present and develop new curriculum for the students' educational needs.
4. Instructional, Administrative, and Support Staff Development: Public Law 98-192 will allow SRC's staff tot ake the opportunities offered to upgrade their present skills. this greatly enhances SRC's staff's ability to do a better job for the students and the community.

As can be seen by the few examples stated above, PL 98-192, has been the stabilizing force need by SRC. PL 98-192 funds make up approximately 50% of the total budget of the College. The other sources being compative federal grants which have a one to three life, student registration which is very limited, and some state year to year grants for Vocational Education.

It must be stated that the passage of PL 98-192 by Congress has greatly enhanced SRC's effort to gain full accreditation status. North Central Association puts a great deal of emphasis on the stable funding base of an institution.

SRC states for the record its recommendation that Congress and the President fund it and other tribally controlled community colleges at the $4,000 per/FTE figure authorized by PL 98-192 in this budgeting cycle. These funds would go towards the further development and improvement of the tribally controlled community colleges. It must be remembered that SRC and other tribally controlled community colleges are their people's most viable option to retain and insure a better life and economic future for their tribes.

Revenue Need 1984/85, PL 98-192

SRC Projects an FTE of 275 students for 84/85

General Fund: Which Includes the Following:

A. Personnel, board expenses, housing, travel, office expenses, graduation, student expenses, equipment, capital outlays & equipment, maintenance of building, telephone, and library.

275 FTE x 4000 per. = $1,100,000.

Special Needs:

A. Construction:

1.	Bullhead, SD Center	$70,000.
2.	Little Eagle, SD Center	$70,000.
3.	Wakpala, SD Center	$70,000.
4.	McLaughlin, SD Center	$70,000.
5.	Cannon Ball, ND Center	$70,000.

$ 350,000.

Five learning centers are in the planning stage at SRC due to the large demand of the students in the districts on resources and Instructors.

Training and Technical Assistance: SRC has based its projected T & TA need on expenditures from last year and increased student load.

$ 13,750.

Endowment Program: SRC expects to raise funds through-out 84/85 amounting to:

$ 30,000.

TOTAL NEED FOR 84/85: $1,493,750.

Revenue Need 1985/86, PL 98-192

SRC Projects an FTE of 300 students for 85/86

General Fund: All items mentioned in 84/85 budget:	$1,200,000.
Special Needs:	
A. Construction of main campus facilities:	
a. Student union/classroom/athletic facility:	$1.5 million
b. Two dormitories, men & women	$ 200,000.
T & TA:	$ 13,750.
Endowment building program matching fund:	$ 50,000.
TOTAL NEED FOR 85/86:	$2,963,750.

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STATEMENT OF RODNEY BORDEAUX, CHAIRMAN, SINTE GLESKA COLLEGE, ROSEBUD, S. DAK.

I. INTRODUCTION

Sinte Gleska College is a Tribally-controlled college located on the Rosebud Sioux Indian Reservation in south central South Dakota. Chartered by the Rosebud Sioux Tribe in 1971, the institution provides post-secondary educational opportunities and services for residents of the reservation and adjacent areas as its primary mission. The College is named after Sinte Gleska (Chief Spotted Tail), who was a strong advocate for the education of his people, the Sicangu or Burnt Thigh band of the western Teton Sioux.

Since the offerings of its first classes in February 1971, Sinte Gleska College has made significant strides toward the development and establishment of a reservation-based, Tribally-controlled education model. Among many noteworthy achievements, the most significant accomplishment to date concerns the institution's accreditation efforts. On February 1, 1983, the College was approved and granted initial accreditation by the North Central Association of Colleges and Schools at the associate and baccalaureate degree-granting levels. With this formal action, the College becomes the first reservation-based, Tribally-chartered college in the country to be accredited at the bachelor or four-year degree level and the second institution at the associate or two-year degree level. Navajo Community College in Arizona earned the leading distinction with respect to the two-year degree granting status.

The successful outcome of the accreditation effort reflects the tremendous strength of and commitment toward Chief Sinte Gleska's vision to establish a viable and Tribally-controlled education system. The formal granting of accreditation by the North Central Association of Colleges and Schools provides substantial evidence that available resources have been successfully applied and utilized toward the objective of providing community-based education in a manner unprecedented in Tribal and American education.

In pursuit of this certification, Sinte Gleska College has made other measurable achievements during its twelve year history. A total of 114 students have graduated since the awarding of the first two degrees (associate) in 1973.

The institution has now granted ninety-six (96) associate or two-year degrees and eighteen (18) baccalaureate or four-year degrees. In addition, seven (7) secretarial certficiates have been awarded to students successfully completing the one-year training program. The Adult Basic Education program has produced 895 G.E.D. (high school equivalent diplomas) graduates. This compares favorably against the BIA's track record of 100 graduates during the 10 years the program was administered by the BIA previous to Tribal contracting through the College in 1972.

The institution has compiled a summary of the post-graduate status of students awarded degrees at the associate and bachelor level. In general, of the total 114 graduates, 72% are currently employed, 9% are actively pursuing advanced educational studies on a full-time basis; and 5% are unemployed by reason of death, retirement, health or family considerations.

Of the total (96) associate degree graduates, seven (7) have subsequently acquired a four-year degree and an additional nine (9) graduates are currently pursuing bachelor degree studies. These indicators of Sinte Gleska College's success seem ever more remarkable considering a reservation unemployment rate in excess of 80%.

Of the total (18) baccalaureate degree graduates, 69% are currently employed. All eleven (11) four-year teacher graduates are certified through the state of South Dakota and are presently working in local elementary schools, where the teacher turnover rate approaches 40% each year. The first baccalaureate graduate (1980) is currently enrolled in his third year of law school at the University of South Dakota School of Law in Vermillion, South Dakota. Another is pursuing master degree studies in social work at the University of Utah.

While Sinte Gleska College can boast of the remarkable success of its academic and G.E.D. programs, much work remains to ensure the continuation and continuity of its management and delivery system. The College recognizes that it must continue the internal assessment of institutional operations. Central to this assessment is the identification and application of physical, human, and in particularly, fiscal resources.

The education of the reservation population is the primary mission of the institution. One evaluation of this area involves the assessment of student enrollment and how enrollment impacts the institutional resources of the College.

II. STATEMENT OF NEED

Like many other higher education institutions, Sinte Gleska College has assumed an increasingly conservative posture with respect to the development of annual operational budgets. Traditional funding sources, nearly all derived from a federal base, have substantially been reduced, eliminated, or maintained at inproportionate levels with respect to need.

Given fiscal limitations, the Sinte Gleska College Board of Directors have taken serious measures to accommodate budget constraints. Approximately thirty (30) personnel positions have been retrenched since FY'81. For the 1982-83 academic year, nearly all employment contracts were reduced from 12 to 10 months. Fringe benefits remained at 12% compared with substantially higher percentages at other university and college systems. Staff travel has been restricted to on-reservation instructional activities only. Since FY'81, there have virtually been no budget provisions for the replacement of equipment, renovation of existing facilities, or the expansion of current library holdings. In FY'83 summer school activities were scheduled at a minimal level primarily to allow potential graduates to complete degree requirements. The ability to continue future summer school sessions is highly speculative.

The FY'84 Sinte Gleska College budget continued the "bare bones" operational status of the institution and, in essence, reflects the College's realistic needs. The budget included no salary or cost of living increases, no additional personnel, no adjustments in terms of current travel, equipment, (etc.), and maintained ten-month faculty contracts.

The FY'84 institutional budget assumed the continuation of current Tribal support contracts and multi-year categorical grants at FY'83 funding levels. Funds are provided through the Department of Interior and the Department of Education to comprise nearly all of the institution's fiscal base.

Through the utilization and administration of two (2) Tribal contracts by authority of P.L. 93-638, the College receives support funds for basic higher education operations, adult basic education, and student financial aid scholarships.

Categorical grants from the Department of Education are anticipated to continue academic and student services funding. The College expects the continuation of several multi-year grants including Title III - Strengthening Developing Institutions Program (SDIP); Title IV B - Special Services for Disadvantaged Students (i.e. SGC Study Skills Program); and the Fund for the Improvement of Post-secondary Education (FIPSE), which supports the newly-established SGC Lakota/Fine Arts department. Separate grant allocations are expected to continue to be provided by the Department of Education for student financial assistance including Pell (BEOG), SEOG, and College Work-Study grant programs.

In terms of institutional tuition revenue, the current rate is established at $30.00 per credit hour and total collectible tuition revenue comprises about 10% of the institution's fiscal resources. The Sinte Gleska College Board of Directors took action prior to FY'83 to impose the College's first tuition hike from $16.50 to $30.00. The undergraduate tuition rate at State universities and colleges in South Dakota is presently $25.52 (resident) and $52.89 (non-resident) per credit hour. The state governor is proposing a 7% tuition increase for the next budget cycle.

Funding provided by the Bureau of Indian Affairs via P.L. 95-471, the Tribally-Controlled Community College Assistance Act of 1978, represents the largest (40%) source of revenue for the College. The current budget is developed using a pro rata figure of $2812 per Indian F.T.E. With increased enrollment at the tribal colleges, this Spring Semester the amount available per F.T.E. is proportionately reduced. Because Sinte Gleska College is operating with a minimal budget and because P.L. 95-471 is used primarily for instruction costs and operations, a reduction of this source of funding would be disastrous to the College.

Sinte Gleska College requests a supplemental appropriation for FY'84 to maintain the established pro rata figure of $2812 per Indian F.T.E.

III. P.L. 93-192 APPROPRIATIONS

P.L. 98-192, an act to amend and extend the Tribally-Controlled Community College Assistance Act of 1978, contains some new features which will be beneficial to the funding and development of Tribally-controlled community colleges. The concept of forward funding, facilities construction, and the development of endowments are vitally important to the future of Sinte Gleska College. Also important are appropriations set at authorization levels which increase over time recognizing increased costs.

Forward funding, common for most educational institutions receiving public dollars, will establish appropriation levels for a two-year period rather than the current one year and will enable Sinte Gleska College to better plan the offering of its educational programs.

The major advantage to Sinte Gleska College of being able to determine the amount of P.L. 98-192 funds available to the institution for a two-year period, will be greater continuity and stability in providing instructional services year to year and an enhanced ability to define the need for additional institutional resources.

The current recommendation of the Bureau of Indian Affairs for Tribal Community Colleges for 1985 is 6 million dollars or $400,000 less than the current 1984 appropriation. In utilizing the same pro rata figure as 1984, the recommendation of the Bureau of Indian Affairs seems based on a decline in student enrollment for 1985. This recommendation is not realistic. Not only have student enrollments been steadily increasing but changes in the formula for counting Indian students in P.L. 98-192 will enhance the number of eligible students. Also, P.L. 98-192 authorized a $1025 increase in the pro rata figure of $4000 for Fiscal Year 1984 with more modest increases for Fiscal Year 1985, FY 1986 and FY 1987.

A major concern of Sinte Gleska College focuses on the level of appropriations authorized for eligible Tribally-controlled community colleges. The problem since the enactment of the law has been that funding has never been appropriated at the authorized level of $4000 per F.T.I.E. The pro rata amount has fluctuated between $2700 and $3100 but this is never established until after the Congressional appropriations process. To date, the pro rata amount has been dictated more by Congressional appropriations rather than by actual student enrollments within a given fiscal year. As a consequence, the level of funding allocations to individual schools have been determined primarily by total appropriations instead of remaining sensitive to actual F.T.I.E. numbers.

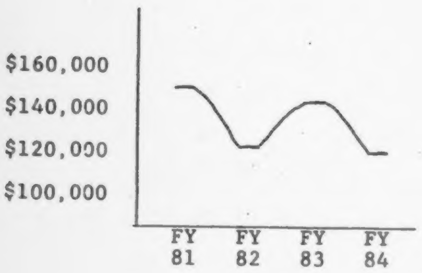
The solution to this problem and our recommendation is establishing P.L. 98-192 appropriations at the full $5028 per F.T.I.E. for FY'85 as amended by law. This would provide the necessary operational funding accurate and sensitive to student enrollments (F.T.I.E.).

In order to provide a modest 5% raise ($57,807) for faculty and staff increasing faculty contracts to 12 months ($59,201), and to cover instruction costs currently covered by developmental and other short-term categorical grants ($358,029), Sinte Gleska College will need an additional $475,037 a year in support from P.L. 98-192 for basic operational support for an additional $1988 per Indian F.T.E. Given the current $2812 per Indian F.T.E. rate Sinte Gleska College will need a minimum pro rata figure of $4800 for operational support next year. In the case of instructional costs covered by developmental and other short-term categorical grants, Sinte Gleska College has lost a nursing degree program covered by a grant from the Indian Health Service and will lose its Lakota Fine Arts program this year with the end of a F.I.P.S.E. grant. We will be unable to develop an allied health program and an associate of science degree for lack of funds in basic operation or categorical grant support.

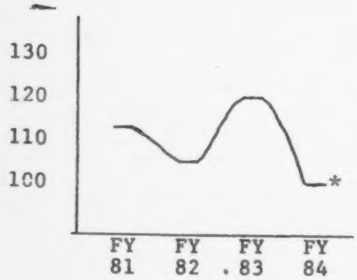
IV. BIA HIGHER EDUCATION SCHOLARSHIPS

BIA higher education scholarships are critical to the pursuit of academic studies on the reservation. Given the economic nature of the reservation area, and perhaps more specifically the unemployment rate, nearly all students must seek financial assistance to attend college.

BIA Higher Education Scholarship Program at Sinte Gleska College (FY'81-FY'84)

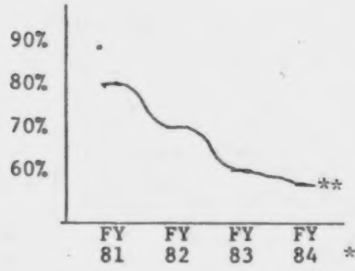


Annual BIA Scholarship Funding Levels



Number of Rosebud Agency Students Funded

*Anticipated Students



Percentage of Financial Need Met

**Anticipated Percentage

Sinte Gleska College is unique in that it maintains a special contract arrangement with the Tribe and BIA Agency office in administering scholarship monies to eligible students enrolled at the College. Through this arrangement, which was initiated in 1977 via a P.L. 93-638 contract, Sinte Gleska College has historically received about 25% of the total Rosebud Agency Higher Education Scholarship allocation and has enabled a more direct and responsive service for tribal members in terms of their financial aid concerns. As administered by Sinte Gleska College, the B.I.A. Higher Education Scholarship Program is designed to fund as many students as possible and therein help defray a certain portion of their various educational and related cost of attendance expenses.

Yet, as discerned in the preceding B.I.A. Higher Education Scholarship Program data, since FY'81, the annual funding level has decreased from $152,000 to $120,000 and the percentage of financial need met has decreased from approximately 80% to below 60%. These decreases translate into less total available funds, less overall student awards and more unmet financial need, both individually and collectively. These decreases are further compounded by an increasing student enrollment amongst full-time Rosebud Agency students. The unfortunate end result is an overall added financial need for Rosebud Agency students, and oftentimes, a situation wherein the tribal member does not receive any financial assistance funds.

For FY'84, Sinte Gleska College has once again requested a supplement through the Rosebud Agency in order to provide a greater number of local post-secondary students with B.I.A. Higher Education Scholarship Awards.

However, because total Agency scholarship funds are established at predetermined levels, the prospects of securing additional scholarship monies are minimal to non-existent. This points to the inadequacy of Bureau of Indian Affairs scholarship grants being budgeted and allocated from the local

BIA Agency budget. All eligible students attending both Sinte Gleska College and off-reservation institutions must tap scholarship grants from the same Agency allocation.

One idea that the College wishes to propose and pursue is the separate allocation of scholarship grants for eligible Tribal members specifically attending reservation-based colleges such as Sinte Gleska College. This proposal would involve the budgeting of higher education grants for reservation-based college students distinctly separate from the general Tribal scholarship allocation. Separate scholarship grant monies could be processed directly to reservation-based colleges through the local BIA Agency offices. This proposal would eliminate the direct competition of available funds between institutional scholarship needs, general Tribal scholarship needs (i.e. off-reservation college students), and other Tribal/BIA program needs, all of which derive monies from the same funding pool.

Given this need, Sinte Gleska College would request Congressional consideration for supplemental appropriations to provide additional BIA scholarship funding.

V. TRIBAL HIGHER EDUCATION CONTRACT SUPPORT FUNDS (SNYDER ACT)

During the initial stages of institutional development, the College pursued funding through the Bureau of Indian Affairs for basic operational support. The Institution was eventually approved for a small operational grant by the BIA under the authority of P.L. 67-85, the Snyder Act of 1921. With the passage and implementation of P.L. 93-638, the Snyder Act monies were provided through the Tribal "638 contracting" option of these funds. This was conceived as one effort by the Rosebud Sioux Tribe to establish at least one suitable funding source for Tribal higher education purposes.

The resultant problem and continuing concern associated with this funding source has been one of safeguarding annual appropriations. Up until 1980, the Snyder Act or 638 contract monies were appropriated and allocated through the Tribal "banded" budget process in the amount of $358,300. When it became evident that Indian community colleges would be receiving appropriations via P.L. 95-471 authority in FY 1980, the BIA made a unilateral decision to eliminate the budget category for higher education from the Tribal budget, effectively eliminating contract funds. However, legislative provisions of P.L. 95-471 specifically and explicitly allowed eligible community colleges to receive both sources of funding. When the Tribe's efforts were unsuccessful in negotiating with the BIA for the restoration of these funds, it was only through the actions of a Congressional sub-committee that the Bureau modified their decision on the issue. However, in the restoration process, the BIA imposed an unanticipated reduction of $200,000 from the higher education contract. The final allocation which was eventually provided in FY'80 was $136,500.

Needless to say, the initial fiscal benefits derived from first year (FY'80) 471 appropriations were offset by the reduction in Tribal higher education contract monies. The problem of safeguarding Snyder Act funds has continued to persist through subsequent fiscal year budget processes at the Tribal/BIA Agency level. In particularly, the development of the FY'83 and FY'84 Tribal/Agency budget proposals created a bitter and intensive conflict between the Tribal Council and local BIA administrators. The problem and source of contention stemmed from arbitrary BIA manipulations of tentative budget allocations for Tribal 638 contracts without Tribal Council input or approval. Paramount to Tribal concerns was again the BIA's attempt to eliminate monies for Tribal education programs, including the higher education and adult education contracts. Under the same general budget category, Part A - Education, higher education scholarships were also subject to the same proposal for reduction or elimination.

The FY'83 Tribal/BIA Agency budget dispute was eventually resolved on October 1, 1983. The resultant action, as approved by the BIA Area and Central offices, was to restore the education contract funds at the previous fiscal year levels. However, for FY'84 appropriations, the BIA Agency has submitted initial budget documents which again zero out higher education and adult education funding allocations. The Rosebud Sioux Tribe has submitted its own FY'84 budget proposal with the education contract funds restored but at a 10% reduction.

This latter action points to another critical concern in terms of general Tribal appropriations. Since educational support funds are derived from the same general Tribal/BIA Agency budget, Tribal educational programs are pitted against other Tribal program needs for funds. The total fiscal appropriation for the Tribe has been and continues to be reduced each year. Consequently, there are less funds to allocate for Tribal program purposes. How does education become any less important than law enforcement, social services, or natural resources when these and other Tribal programs and services derive budget funds from the same appropriation pool to the Tribe?

The FY'84 Tribal/BIA Agency budget dispute has yet to be resolved. There has been no indication to date that the BIA has taken any action to address this problem. Consequently, budget planning for College program operations continued to be diminished in terms of anticipating institutional revenue for the 1983-84 academic year.

At this time, the College would reiterate its support of Tribal efforts in not only maintaining the educational contract funds, but also securing the restoration of Snyder Act monies at the previous level of $358,300.

A historical synopsis related to the contracting and funding of the Tribal higher education program is attached to this testimony.

SUMMARY

In summary fashion, Sinte Gleska College would request Congressional consideration and support of the following recommendations related to our institutional funding needs:

1. A supplement appropriation for FY'84 to maintain the $2812 pro rata figure.
2. Appropriation of P.L. 98-192 funds at the legislatively-mandated level of $5025 per full-time Indian student (F.T.I.E.) for 1985 and $5415 for 1986;
3. Increased appropriations of BIA Higher Education Scholarship grant funds via minimum appropriation levels established according to Tribal/Agency need; and
4. Restoration of Tribal higher education (638) contract funds (i.e. Snyder Act allocations for Tribally-controlled colleges) for the Rosebud Sioux Tribe at the previous level of $358,300 via appropriation supplement or "add-on" to the Agency budget.

Your attention and consideration of these issues is urgently requested.

HISTORICAL SYNOPSIS RELATED TO THE CONTRACTING AND FUNDING OF RESERVATION-BASED HIGHER EDUCATION ON THE ROSEBUD SIOUX RESERVATION VIA PUBLIC LAW 67-85: THE SNYDER ACT OF 1921 AND PUBLIC LAW 93-638: THE INDIAN SELF-DETERMINATION AND EDUCATION ASSISTANCE ACT OF 1975

INTRODUCTION: INITIAL CONTRACTING AND FUNDING

Sinte Gleska College, like many other Tribally-controlled community colleges, began operations with virtually no financial resources. The Rosebud College started with an initial start-up budget of about $15,000 derived primarily from private foundation contributions.

In 1971, the College pursued the idea of contracting for funds from the BIA to provide higher education and adult education programs established within the Bureau. Former BIA Commissioner Louis Bruce responded enthusiastically to the concept of a reservation-based higher education program and initiated the legal research about the contracting idea. Once it was determined that contract funding was a viable option, the BIA provided both Sinte Gleska College and Oglala Sioux Community College (Pine Ridge, S.D.) with small operational grants. This action marked the first instance of the BIA's commitment to provide funding and resources for the community colleges. It also reflected the acknowledgement of and established funding for the institution's basic operating costs.

With the initial funding allocation, the BIA extended a series of commitments to provide up to 75% of future institutional budget needs for the colleges. However, efforts by the schools to secure subsequent funds proved difficult. The reality of BIA funding allocations for Fiscal Years 1972 through 1980, although benefitting a limited fiscal base, produced far less monies to accommodate the operational support needs of the colleges. At one point in 1972, former Senate James Abourezk intervened on behalf of the community colleges and requested that the BIA maintain their original funding commitments.

The subsequent history of contract support funding provided for reservation-based higher education programs reflects numerous attempts by the BIA to, in fact, terminate support funding. Throughout its history, the BIA cited any number of philosophical and technical reasons for not funding higher education programs. One primary issue was BIA's contention that there was no specific legislation authorizing support funding of Indian community colleges. However, the BIA traditionally used P.L. 67-85, the Snyder Act of 1921 and P.L. 73-167, the Johnson O'Malley Act of 1934, as broad authorization for legislated but non-specific educational programs. The Snyder Act was eventually identified as the legislative authorization for the designation and utilization of federal monies provided to the community colleges.

These contract support or "Snyder Act funds" have largely been maintained since 1972 only after efforts were made by the college, the Tribe and Congressional representatives to exert pressure for the fulfillment of BIA funding commitments. The BIA continued its efforts of manipulating or circumventing federal regulations, departmental policies, and program budget processes (i.e. Tribal/BIA budget development) to thwart the effort by the Tribe to maintain these educational contract funds.

One substantial change in the allocation of support funds occurred in 1975 when former BIA Commissioner Morris Thompson recommended that the contract allocations be placed on the Tribal/BIA Agency budget as a separate or "banded" budget category. The result of Mr. Thompson's recommendation forced the College to seek necessary funds from general Tribal funding allocations. Consequently, Snyder Act monies became subject to the budgeting process as prescribed by the contracting provisions of P.L. 93-638, the Indian Self-Determination and Education Assistance Act. Implementation of the 638 contract process required the Rosebud Sioux Tribe to designate funds from its own funding pool and the College, in turn, negotiated direct contracts with the BIA. The latter authorization for contracting is derived from the Tribally-chartered status that the College possesses.

It is at this point that "Snyder Act monies" and 638 contract (higher education) monies have become synonymous in reference to the College's educational contract funds. The transition of initial contract allocations via the Snyder Act to the 638 contract mechanism transferred the responsibility of budgeting, prioritizing, and subsequent funding for the community college to the Tribe.

PROBLEM - CONTRACT MONIES AND P.L. 95-471

Because of other critical Tribal needs, educational funding through the 638 contract process has provided the College with only a small percentage of necessary monies for basic operational support. Additional support dollars have been generated by tuition revenue and recovery of indirect costs from other federal grants. But the sum of these dollars have consistently fallen short of basic support needs. At best, the College's funding base has been supported by "soft monies" of federal education grants designated for specific educational uses and not for basic operating costs. With the growing fragmentation and instability of Tribal and federal funding sources, the College became aware of the critical need to establish a stable funding source which would provide basic operational monies.

Cognizant of this situation, the College joined other Tribally-controlled community colleges in a legislative effort to secure a stable funding source. After several years of diligent work with the executive and legislative branches of the federal government, the effort resulted in the passage of P.L. 95-471, the Tribally-controlled Community College Assistance Act of 1978. The major intent of the legislation was to provide eligible institutions with funding for basic operational support needs. Appropriations were to be determined based on a student enrollment formula of $4,000 per full-time Indian student. The BIA was given the responsibility of implementing and administering the Act.

Since the passage of this legislation, several unanticipated shortcomings have arisen. But the major problem in relationship to the Rosebud-based College focused on the safeguarding of Snyder Act support monies. When it became evident that Indian community colleges would be receiving 471 funds beginning in Fiscal Year 1980, the BIA Central Office of Financial Management made a unilateral decision to eliminate the Tribal budget category (#1365-Part A) which identified the higher education monies. However, the legislative provision of P.L. 95-471 (Sec. 108) specifically and explicitly allowed eligible institutions to receive both sources of funding. Two other schools - Oglala Sioux Community College and Turtle Mountain Community College (North Dakota) - utilized Snyder Act dollars and were also affected by this BIA action. This decision was executed without consulting or informing the Tribes, the colleges, or the local BIA Agency offices.

What the BIA accomplished was the illegal expropriation of Tribally-banded funds in direct violation of Congressional law (P.L. 95-471, Sec. 108). It was the contention of the BIA that the schools could not utilize both sources of funding for higher education purposes. Throughout FY'80, the colleges and the BIA waged a feverish correspondence battle on this issue. Sinte Gleska College formalized the FY'80 638 contract, as initiated by the local BIA Agency, only to discover that no dollars were attached. Both the BIA Agency and Area Offices disavowed any knowledge of the controversial decision. At one point, former BIA Agency Superintendent George Keller specifically requested a clarification on the matter by the Central Office. On February 4, 1980, the Rosebud Sioux Tribal Council passed RST #80-31, which called for corrective action. There was a continuous flow of assurances by the BIA Central Office administrators that the category and monies would be restored. No immediate action was evident at the time.

It wasn't until the latter portion of FY'80 (April, 1980) that the BIA, yielding under Congressional intervention and pressure, finally researched the issue and determined that the Bureau's position would be modified. Correspondence by Deputy Assistant Secretary for Indian Affairs, Rick Lavis, Acting BIA Education Director Noah Allen, and Interior Under Secretary James Joseph clarified the discrepancy and indicated that action would be taken to restore the budget category and funds ($358,300). What actually evolved was the reversal of the BIA decision, the restoration of funds (from another budget categoty - Part D of the Central Office budget), but not the restoration of the budget category to the Tribal "band" budget. It wasn't until December 1980 that Acting BIA Education Director Gabe Paxton notified the schools that the category had been restored to the Tribal budget. In the transition, the title of the band category had been changed from "Higher Education" (not to be confused with "Scholarships") to "Tribally-controlled Community College."

Another significant change evolved prior to the beginning of Fiscal Year 1981 (September 1980). The BIA informed the College that the BY'81 Higher Education allocation would be reduced by $200,000. According to the letter by Acting Deputy Assistant Secretary Philip Deloria, the BIA would provide only $158,000 which was to be considered as a supplement to monies already available in the Tribal budget. There was speculation that no funds above the reduced level were restored to the tentative FY'81 Tribal budget. This was confirmed with subsequent "Advice of Allotments" documents reflecting a reduced level of funding at $136,500. During the funding restoration process, the Rosebud Sioux Tribe and its community college incurred a loss of $200,000+ in higher education contract funds.

By the conclusion of FY'81, the necessary corrective measures were taken by the BIA to restore the Tribal budget category and a reduced level of funding for the higher education program. The level of funding allocations for each subsequent fiscal year has remained at $136,500.

PROBLEM - ZERO BASE BUDGETING FOR FISCAL YEAR 1983 & 1984

The problem of safeguarding the higher education contract support funds continued to persist in the determinations of subsequent fiscal appropriations. This issue emerged again in the development of the FY'83 and FY'84 Tribal/BIA Agency budgets.

Briefly, the local BIA Agency and Tribal budgets for a given fiscal year are developed and finalized approximately 18 months in advance through a mechanism referred to as "Zero Base Budgeting." Given a base level funding, which is generally the previous fiscal year's funding level, budget allocations are determined and prioritized (ranked) for each Tribal and local BIA program. There are several Tribal contract programs listed as budget categories including SGC Higher Education and Adult Basic Education programs.

The Bureau has traditionally initiated ZBB activities around each December. Ideally, this should be an on-going process throughout the year. The process involves representatives of the Tribe and the BIA, who theoretically coordinate as a "ZBB committee" in reviewing, budgeting, and prioritizing proposed budget allocations for Tribal and BIA programs. Once allocations and program rankings are established, this information is forwarded to the Tribal Council for concurrence and approval. The final proposed budget is then submitted to the BIA Area Office, Central Office, and ultimately through federal channels to the U.S. Office of Budget and Management for inclusion in the President's appropriations request to Congress.

The reality of Tribal involvement in the local budget process has at best been marginal, primarily due to the initiatives and actions assumed by the BIA. While the BIA has made efforts to solicit Tribal input in the budget formulation process, the Tribe has discovered that actual budget determinations and subsequent allocations are dictated by the BIA. Such has been the case of budget development activities for the FY'83 and FY'84 Tribal/BIA Agency fiscal appropriations.

During the spring of 1981 and 1982, the Rosebud Sioux Tribal Council became aware that the BIA Rosebud Agency had developed and submitted the FY'83 and FY'84 budgets without the desired Tribal participation and concurrence. Among many concerns was that the BIA had arbitrarily eliminated funding in each budget for the higher education (i.e. Snyder Act monies) and adult education contract programs. Tribal input had been solicited and secured for the purpose of program budget reviews, but not to the extent of determining and approving proposed budget allocations.

In each instance of budget developments, the BIA contended that internally-imposed deadlines within the Bureau system negated ideal Tribal involvement (i.e. Tribal Council approval). Both FY'83 and FY'84 budgets were submitted to the BIA Area Office with a commentary about the lack of Tribal participation in the final decision to approve the proposed budgets. Needless to say, the Tribal Cuncil has taken great exception to the apparent circumvention of

Tribal authority and insensitivity of Tribal program needs as demonstrated by the BIA.

The Tribal Council initiated repeated efforts to address this continuing problem. Resolutions have been passed by formal Council action to reprimand the BIA and to recall the proposed budgets as prepared and submitted without Council approval. For each budget, the Tribal has submitted its own budget proposals, revised to include teh restoration of education contract monies. The last formal action taken by the Tribal Council, on June 17, 1982, reiterated the request that the BIA take all corrective measures in conformity to Tribal need. The resolution also directed that the Tribe and BIA seek additional appropriations for the higher education contract program with the intent to restore the contract funds at previous levels. The consistent response by the local BIA Agency has been that the budget problems were out of their administrative control and that resolution of these issues were subject to Central Office action.

CURRENT STATUS OF FY'83 and FY'84 TRIBAL/BIA AGENCY BUDGETS

The FY'83 budget dispute between the Rosebud Sioux Tribe and the BIA was resolved on October 1, 1982. Obtaining clearance from the BIA Central Office, the Area Office notified the Tribe that the revised budget, including the restoration of Tribal education contract funds, was approved. Consequently, the BIA proceeded to process the higher education contract for FY'83 at the tentative level of $136,500.

Both the Tribe and the BIA have negotiated and submitted a revised budget for Fiscal year 1984. As cited earlier, the initial FY'84 Z.B.B. documents reflected zero funding for the Tribe's education contracts. The revised budget, taking into consideration the reduced base level of total Agency funding anticipated for FY'84, reflects a 10% reduction of education contract funds. As a result, the revised budget proposes to reduce the level of FY'84 Higher Education contract support funds to $122,850.

The Rosebud Sioux Tribe is currently awaiting an official response to the modified FY'84 Tribal/BIA Agency budget. To date, no action has been taken to pursue the procurement of supplemental appropriations for the restoration of the Tribal higher education contract funds at the previous levels.

STATEMENT OF THE UTU UTU GWAITA PAIUTE TRIBE, BENTON-PAIUTE RESERVATION, CALIF.

The Tribe has finally received a copy of the FY 85 budget for the Bureau of Indian Affairs and Indian Health Services. The Tribe disagrees with the following budget items for the BIA:

1. The BIA proposes cutting the self-determination grant from $58,779,000.00 to $25,255,000., which would certainly affect the tribal Governments in California that don't receive any other resources. This tribe receives $7,600.00 of P.L. 93-638 grant funds. This proposal would reduce this funding to about $4,408. which would effect the Tribal Government operation.

2. The BIA proposes cutting the Housing Improvement program by $2,197,000.00 which would effect this tribal Government. The only housing units that this Tribe has received are from the Bureau of Indian Affairs. The main reason that this Tribe prefers the BIA program is that solar designed structures can be built. DHUD does not allow these type structures. Therefore, this Tribe requests that these funds remain at the $23,000,000. level.

In addition, the Tribes in California has always increased the funds in housing because it is a high need. By taking it off the Band, it does two things. (1) The Tribes did not show it as their high priority. (2) It allows the BIA to decrease these funds without allowing the Tribes consultation or to move funds to another priority. Thus, making Tribal Governments involvement in the Budget process a matter of going through the motions. If the BIA wants to reduce housing, it should allow the Tribes to move funds to another priority. Therefore, this Tribe strongly believes that housing must remain on the band.

3. Road Construction has always been a problem in California. Due to the large number of Reservation spread out over great distances apart, the cost is higher for Construction and maintenance. Currently, California needs about $17 million to do a decent job of Road Construction. Since the BIA is proposing a complete reduction of Road Construction funds from the BIA Budget, the Construction of new Road needs will never catch up. These funds must remain in the BIA Budget. This Tribe needs $300,000.00 to pave the Road on the Reservation. The Roads are currently dirt. If any things, the Tribe is requesting this amount to be appropriated for our roads.

This brings up the next point. The current method of Road Construction for the BIA is the Highway Trust funds. These funds are restrict, and does not allow use for planning on those reservations that don't have a project. Therefore, reducing effective planning for Road Construction on Indian Reservations. Thus, it is important that the BIA retain a Road Construction fund. This amount was at $43 million in FY 83. What happens when Highway Trust funds end? BIA will not have any Road Construction funds to replace it.

4. The other item that this Tribe disagrees with in the Budget is the $8,294,000. increase for management and administration. This Tribe does not believe that this increase is needed. Currently, the Sacramento Area Office is functioning at a reduced staff level, and is not really doing anything due to the effort of trying to close it. In addition, the BIA ADP Program has been a high cost White Elephant which has not helped Tribal Government. Therefore, this Tribe does not feel this increase is justified.

5. The Central California Agency will be receiving 11 unterminated Tribal Governments back under their jurisdiction soon. These 11 Tribes will need funding to begin their development. The BIA did not make any Budget changes to reflect this need for Central California Agency. It would seem that $1 million new dollars could be used for these tribes.

6. The Education Program at the Sacramento Area Office left 119 students unfunded for High Education grants. 96% of the reason for unfunding was due to the lack of funds. In addition, the Adult Education Program is highly affected by the budget process. The State of California has Career Development Center located in four (4) areas. These programs will be reduced in their funding, which will make the program ineffective. Therefore, California does need more funds in the Education line item.

STATEMENT OF JOY J. HANLEY, CHAIRPERSON, ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC.

On behalf of the National Committee on Indian Education of the Association on American Indian Affairs, I am pleased to have the opportunity to submit the following recommendations to Congress in regard to the FY 1985 budget request submitted to the President for proposed funding of Indian education programs.

The Association recommends that the Congress, in addition to the President's requested appropriation, take the following actions:

1) Fund the BIA's Higher Education Student Grants Program at not less than $30 million to meet the Bureau's identified need for assistance to eligible Indian students attending college and to begin to meet the need for trained personnel in all disciplines vital for tribal self-sufficiency, including math, science and new technology.

2) Increase funding for school construction to provide for at least the next school project on the priority list requiring funding in addition to the $4.5 million requested by the Administration for the Western Cheyenne River School.

3) Restore $309,000 for the BIA's Adult Education Program for a total of $3.854 million in FY 1985.

4) Restore $348,000 for Title I tribal community college grants for total funding of $9.3 million.

5) Restore funds for existing Facilities O&M to maintain the current level. The House Appropriations Committee's investigative report on the tribal contract school program indicates that funding levels for O&M have been inadequate to the point, in some instances, of endangering the health and safety of Indian children.

6) Provide $2 million for Indian School Program Adjustments. The Administration has requested $500,000 for start-up costs. We are aware of at least one application pending for a new school start and two applicants for school starts discouraged from applying while this item has gone unfunded for the last two years. One applicant has identified numerous Indian children unserved by present schools.

7) The Congress should reject attempts by this Administration to overturn through the budget and appropriations process long-standing administrative and ongressional policies and practices dealing with American Indians and Alaska Natives. The FY 1983 Supplemental Appropriations Act included an Administration proposal to transfer 20 Alaska Native day schools to the State without the prior consent or even consultation with the affected Native communities. This action contravenes the policies of the Indian Self-Determination and Education Assistance Act, the Indian Education Act Amendments and the government-to-government footing upon which the Administration's Indian policy is based. Funding for these schools should be maintained in FY 1985 unless and until the affected Native communities are consulted and consent to the transfer.

8) The Association commends the Congress for maintaining the Indian education programs under Title IV of the Indian Education Act in FY 1984 and is pleased that the Administration is now recommending that that level be maintained in FY 1985. We are pleased that

Congress has provided that the Department of Education address the educational and facilities standards and needs of tribally-controlled schools. The Association has long supported Indian community-control of education as an alternative to federal paternalism, and we would welcome a study that has the potential to address accurately the needs of these schools.

9) The Association believes that there can be no greater priority of the Congress than the provision of locally-convenient day schools for all Indian students. Thousands of Indian children are still forced to attend government boarding schools. Children in grades K-8 are at greatest risk, as the Congress has recognized.

With regard to the implementation of the Navajo study, the Association recommends that the Appropriations Committee include language in its report requiring the BIA to report to Congress and the Navajo Nation on an implementation plan year-by-year indicating the numbers of Navajo children it expects to provide with the opportunity for a day school education.

In conclusion, we would like to point out that the amount of money the BIA is requesting for Indian education is actually less than that appropriated five years ago. During that time, the cost-of-living alone has increased by 40 percent.

In addition, funds for non-BIA educational programs that serve Indian students, such as the Impact Aid program, have been severely reduced. The Administration this year, using the monies in the Emergency Jobs Act of 1983 (P.L. 98-8) as an excuse, is requesting no money at all for construction funds under P.L. 81-815. Funding for Impact Aid monies for school operations under P.L. 81-874 is being requested by the Administration in FY 1985 at a level reduced by more than one-third from what it was in 1981. This is unfair and harmful to Indian students.

It is clear that the educators of Indian children are valiantly trying to do more with less, substantially less.

We hope that this Committee and the Congress as a whole will continue to be responsive to Indian needs regarding the education of their children.

STATEMENT OF STANLEY G. JONES, SR., CHAIRMAN, TULALIP BOARD OF DIRECTORS, TULALIP TRIBES

Mr Chairman, I am Stanley G. Jones, Sr., Chairman of the Tulalip Board of Directors for the Tulalip Tribes. I would like to express my appreciation to you, Mr. Chairman and to the Committee, for the opportunity to present this statement.

We have reviewed the President's budget request for FY 1985, and our major concerns fall into two categories: natural resources and human services.

In the area of natural resources, we recommend the following increases in the FY 1985 appropriations:

(1) $136,000 to the Bureau of Indian Affairs to improve management of our tribal salmon hatchery;

(2) $390,854 to support management of our anadromous fish resources;

(3) $118,382 to continue our forestry development program and to insure protection and preservation of this resource and its environment, and

(4) $126,784 to continue our economic development program through project implementation to insure safe operation of our fisheries and to diversify our economic base businesses.

Mr. Chairman, the protection and enhancement of our fisheries resources are of prime importance to the Tribes. Our goal is to manage our native and hatchery runs to the maximum benefit for all resource users. To accomplish this goal, we are requesting the following additional funds for a hatchery program: $70,000 for the development of a comprehensive program for the marine water salmonoid enhancement program on the Tulalip Reservation and adjacent to it; $40,000 to conduct a resource assessment and implement a maximum sustained yield harvest plan for the marine fin fish and shellfish resources on the Reservation; $12,000 to construct a fish ladder to our Coho and Chinook spawning facilities; $8,700 for protector screens over existing ponds; and $5,635 to provide paving around critical hatchery facilities, thereby decreasing maintenance costs.

We are also requesting $390,000 for our fisheries management program. The drastic decline in public resources allocated to the management and protection of the salmon resource along with the complexities of modern-day management have jeopardized our ability to manage and protect this essential resource. There is a critical need for obtaining sound biological and physical information, and developing and implementing management practices which will protect the resource and produce the maximum benefit to all people.

Our forestry development program is important to our future economic health We need an additional $118,382 for personnel, supplies and equipment to carry on this program effectively.

We urge that the Committee look into the decline in funds for human services. We refer particularly to the following programs, and recommend:

(1) Housing Improvement Program--an increase of $150,000 to the BIA for the Tulalip Tribes' housing program, which has not received funds since 1981;

(2) Mental Health--increase funding to the Indian Health Service to restore counseling services for the Tulalip Tribes, severely cut over the past two years, and for alcohol inpatient treatment, which the IHS discontinued funding in 1980.

(3) Indian Child Welfare Act--increase funding to the BIA and reconsider the competitive process by which funds are allocated, all our local tribes need these funds;

(4) Community Health Representatives--$26,000,000 to the IHS to continue this program, including funds for the Tulalip Tribes;

(5) Sanitation Facilities Construction--add $39,000,000 to the IHS budget for this service, the same amount authorized by the Congress in the Jobs Bill. We further recommend that this amount be allocated as follows: (a) $15 million for new homes, and (b) $24 million for existing homes; and

(6) Education--continue funding at current levels, in line with President Reagan's budget for Parts A, B, and C of Title IV of the Indian Education Act.

Perhaps nowhere are budget cuts so directly felt as in the area of human services. We have not received any Housing Improvement Program funds for three years. Two years ago we had an Indian Health Service mental health counselor two times a week, carrying full case loads. This year the counselor is scheduled two times a month. In 1980, when IHS funding was discontinued for alcohol inpatient treatment, twenty tribal members were able to go into treatment. Over the last three years an average of eight members were able to go into inpatient treatment. To compound the problem, our health clinic facilities are woefully inadequate. Increased funding for these programs would enable us to take care of at least a few more of our people who now must go without attention.

We recommend increased funding for Title II of the Indian Child Welfare Act, and also recommend that the competitive practice for granting these funds be re-examined in light of the fact that all of our local tribes need these funds.

The IHS has not requested funds to support the Community Health Representatives Program. This is a program that is very important to Indian communities. We strongly recommend that the Committee fund this program at $26 million for 1985, the funding level approved by Congress for FY 1984.

In addition, we recommend increased funds to the BIA for activities that will increase economic development opportunities for Indian tribes. Specifically, we recommend:

(1) $328,656 to the BIA for the Tulalip Tribes to incorporate major utilities into the realignment and enlargement of a 4,170-foot road and bridge project on Tulalip Road (Marine Drive) serving the major exit 199, Interstate 5 intersection on the Tulalip Reservation;

(2) $104,576 to incorporate 1,300 feet of line and oil separators for the area-wide drainage commercial zone along the alignment of 33rd Avenue N.E. from Tulalip Road to the Eby Slough wetlands.

The Tulalip Tribes have many opportunties for economic development, but a shortage of funds for planning, capital, and credit makes it impossible to take full advantage of them. We, along with most other tribes, need increased funding and credit made available to us.

We feel the Committee is supportive of our efforts toward self-determination, and we would like to thank you and the Committee for your efforts on our behalf.

STATEMENT OF HARTLEY WHITE, CHAIRMAN, LEECH LAKE RESERVATION BUSINESS COMMITTEE, MINNESOTA

The Leech Lake Reservation Business Committee has reviewed the President's budget request for 1985 and recommends that the Congress make the following changes in funding for the Leech Lake Reservation:

BUG-O-NAY-GE-SHIG SCHOOL

Our most immediate need is funding to complete construction of Bug-O-Nay-Ge-Shig School during FY 1984. This school, grades K-12, replaces an old and inadequate structure and has been relocated to a central site on the Reservation. A total of $351,000 is needed to add a home economics classroom and a business education classroom to the current structure and to install recreation facilities. The classrooms are necessary for accreditation purposes.

Of the $351,000, $200,000 is available from contingency funds set aside for Bug-O-Nay-Ge-Shig School, and we anticipate receiving $100,000 from uncommitted FY 1984 BIA construction funds. If we receive the $100,000 as expected, we will have $300,000 and our shortfall will be $51,000. If, however, the Bureau does not provide the $100,000, we will be faced with a shortfall of $151,000.

This school is being built by the Leech Lake Construction Company, a tribal construction company. We are proud to say that our company has done a remarkable job of maintaining its schedule and working within the constraints of an appropriation eroded by inflation and further decreased by unanticipated expenditures to meet fire safety requirements imposed by the Bureau at the last minute, so to speak.

There is need for immediate action on the part of the BIA in granting these funds. Our construction company is on-site and the obvious economies can be realized. We are confident you share the Business Committee's view of the need for quick action.

We urge this Committee to direct the BIA to provide the full $151,000 out of current construction appropriations for other school facilities that cannot be obligated in FY 1984.

We further urge the Committee to add $51,000, or $151,000--whichever is applicable--to the BIA budget for FY 1985 to serve as replacement funds for monies we are requesting the BIA to divert to us from unobligated 1984 funds for completion of our school.

Our goal is to provide a school with the proper balance of academic and recreational services that will afford our children the high quality education they need and deserve.

SPORTS FISHERY PROGRAM

The Leech Lake Reservation contains 196 named and 36 un-named lakes that total over 274,000 acres. The State of Minnesota's Department of Natural Resources (DNR) has conducted fish management investigations on only 73 or 31.5 percent of the 232 Reservation lakes, and thirty-five of these already need to be updated. Moreover, the State, for whatever reasons, has failed to implement habitat improvement activities and viable stocking programs on tribal waters.

The economies of the Leech Lake Reservation and the surrounding area are dependent, in large measure, on sport fishing and tourism activities. Unfortunately, the sport fishery on the Reservation is in a state of decline due to increasing fishing pressures and deterioration of the habitat.

These circumstances can be alleviated through proper management of our sport fishery resource which will, in turn, serve to optimize and stabilize the flow of tourism income into the Reservation economy. We propose that funds be added to the Bureau's budget earmarked for a two-fold program at Leech Lake -

$40,000	- to employ additional professional, technical and support personnel.
$45,000	- to initiate lake investigations for game fish, rearing pond and bait surveys.
$ 8,000	- to launch habitat improvement activities.
$11,000	- to strengthen the stocking program that will include a fish hatchery, rearing pond construction and the rehabilitation of existing ponds.
$ 1,000	- to support a public relations program geared to attract and capture a larger share of the tourism market.
$ 5,000	- to purchase necessary field equipment.
$120,000	- Total sport fishery program.

COMMERCIAL FISHERY PROGRAM

At the present time, Indians and non-Indians harvest approximately 260,000 pounds of rough fish commercially on an annual basis from reservation lakes. We estimate the potential sustained yield of this resource to range from one million pounds to two million pounds per year. The goal of our commercial fishery program is to enhance this untapped resource for the economic well-being of our people. We propose to develop and implement effective and profitable methods of harvesting, processing and marketing traditional and non-traditional fish. To accomplish this goal we ask the Committee to add -

$ 40,000	- to undertake our aquatic resource assessment and to develop maximum sustained yield guidelines and harvest recommendations.
$ 30,000	- to support market surveys.
$ 30,000	- to develop a fishery marketing plan based on results of the foregoing activities.
$ 40,000	- to establish a realistic program of implementation.
$140,000	- Total commercial fishery program.

In addition, we recommend that the FY 1985 appropriations include the following amounts:

1) $26,000,000 to the Indian Health Service to continue the Community Health Representatives program;

2) $39,000,000 to IHS for water and sanitation facilities construction for new and existing Indian homes ($15,000,000 for new homes and $24,000,000 for existing homes).

3) $30,000,000 to the Bureau of Indian Affairs for the Housing Improvement Program.

We urge the Committee to include language to:

1) continue its prohibition on the allocation of ADP costs to the Tribe/Agency level until such time as the BIA has instituted a cost-effective system and an appropriate method of assigning user charges;

2) direct the Bureau to defer any plans to change its treatment of indirect costs associated with the operation of P.L. 93-638 contracts until it has developed a workable alternative;

3) direct the Bureau to defer any plans to change the band analysis process established by Tribe/Agency Operations until it can be demonstrated to the Committee that any changes in the process will enhance rather than erode tribal input to the BIA's budget formulation.

Mr. Chairman, your Committee has consistently supported funding for programs designed to improve the quality of life for Indian people and that advance and give meaning to the concept of Indian self-determination. The Leech Lake Business Committee appreciates this support. We also appreciate this opportunity to submit our views on the budgets that are vital to the social and economic well-being of our people.

STATEMENT OF AL AUBERTIN, CHAIRMAN, COLVILLE BUSINESS COUNCIL

The Colville Business Council recommends that the Congress make the following changes in funding for the Colville Agency for FY 1985:

(1) A net increase of $199,000 for BIA Road Maintenance activities on the Colville Reservation. This would result in a total allotment of $1,144,000. Of this amount, $424,000 should be earmarked for the operation of the Inchelium Ferry, with a corresponding reduction of $225,000 in the base for regular Roads Maintenance activities.

(2) An increase of $110,000 for Wildlife and Parks activities on the Colville Reservation. This would enable the Agency to employ a fisheries biologist and to resume stocking fish in Colville lakes and streams; and

(3) A decrease of $200,000 in proposed funding for the Colville mineral assessment program. This would reduce to $200,000 the funding for work to be performed by the U.S. Geological Survey under an agreement with the BIA. It is expected that no funding will be required in FY 1986.

In addition, we recommend that FY 1985 appropriations include the following amounts:

(1) $28,000,000 to the Indian Health Service for the Community Health Representative program;

(2) $39,000,000 to the Indian Health Service for Water and Sanitation Construction; and

(3) $22,800,000 to the Bureau of Indian Affairs for the Housing Improvement program.

Finally, we urge that the Committee Report include language to:

(1) Continue its prohibition on the allocation of ADP costs to the Tribe/Agency level, until such time as the BIA has instituted a cost-effective system and an appropriate method of assigning user charges; and

(2) Direct the BIA to defer any plans to change its treatment of indirect costs associated with the operation of 638 contracts, until it has developed a workable alternative.

Inchelium Ferry and Roads Maintenance

BIA Central Office budgeting practice with regard to operation of the Inchelium Ferry has resulted in a serious and unwarranted erosion of funding for other banded programs on the Colville Reservation.

The Inchelium Ferry, which was purchased by the BIA in 1981, provides vital service across Lake Roosevelt and links the Colville Reservation and Ferry County roads system with the roads of Stevens County and northeast Washington State. The ferry was made necessary by reason of the construction of Grand Coulee Dam. A majority of the ferry passengers are non-Indians.

To cover the cost of operating the ferry, $225,000 was added to the Colville Agency base in 1981. The cost of operating, however, has skyrocketed, owing primarily to increased fuel costs; but there has been no corresponding increase in the Agency's base. As a result, the Agency has been forced to reduce expenditures on regular banded programs. For operation of the ferry the BIA spent $250,000 in FY 1981; $337,000 in FY 1982; $403,000 in FY 1983; and $440,000 in FY 1984; and proposes to spend $424,000 in FY 1985. This has resulted in the following reductions in funding for other banded programs: $25,000 in FY 1981; $112,000 in FY 1982; $171,000 in FY 1983; $215,000 in FY 1984; and $199,000 projected in FY 1985.

While the cost of operating the ferry has been increasing, the cost of maintaining reservation roads has also increased. In FY 1981, $525,000 was allotted to regular road maintenance; in FY 1982, $625,000; and $600,000 in FY 1983. Unable to sustain these increases without damaging other Tribe/Agency banded programs, only $505,000 was spent on the regular maintenance program in FY 1984 and only $521,000 is projected to be available in FY 1985--the $16,000 increase resulting from a corresponding decrease in the cost of ferry operation in FY 1985.

Because of the increased cost of ferry operations and the inability of the agency to reduce expenditures for other vital programs, reservation roads are deteriorating rapidly; snow removal has been curtailed; inventories of culverts, tires, and batteries have been depleted; and an inoperable sander ($5,500) has not been replaced.

The Colville Business Council recommends that $424,000 of nondiscretionary funds be made available for operation of the ferry and that the Agency base be reduced by $250,000. The net effect of this would be to add $199,000 to the budget requested by the President and allow $720,000 to be spent on the regular maintenance of reservation roads without further increase in cost to the Federal government.

Fishery Enhancement

In FY 1983, after 18 years of assistance, the Fish and Wildlife Service discontinued stocking 14 lakes and 16 streams on the Colville Reservation. Unless funds are available in this and subsequent years, the discontinuance of the program will (1) significantly diminish the Tribe's subsistence food supply; and (2) result in an annual loss of $2,000,000 or more to the economy of the Tribe and eastern Washington State.

The President's FY 1984 budget request provided funds to mitigate the impact of the discontinuance of FWS stocking and technical assistance. None of these funds were made available to the Colville Agency. None are proposed for FY 1985. In order to assure that the Tribe receives the necessary funds, we propose that the Congress make $75,000 available for the purchase of stock and $35,000 available to employ a biologist.

Minerals Assessment Program

The FY 1985 budget request includes $400,000 for the Colville minerals assessment program. We are informed and agree that only $200,000 is needed for this purpose.

The $471,600 which the Congress made available for the Colville minerals inventory program in FY 1984 will enable the Tribe to complete this work this year and no additional funding is proposed in FY 1985. We thank the Committee for its generous support over the past several years. With the completion of the minerals assessment work in FY 1985, we expect to be able to begin an aggressive program to begin commercial development of the resources which we have located with your help.

Community Health Representatives

The Community Health Representative (CHR) program on the Colville Reservation serves more than 4,000 tribal members. Budget cuts have reduced the number of Colville CHRs from 12 in FY 1981 to 8 in FY 1982-84. The President proposes to eliminate the CHR program on the Colville Reservation and throughout the United States. Nationally, this will eliminate 1,550 CHR jobs under contract with 234 American Indian and Alaska Native groups. In its budget justification for FY 1984, the IHS observed that the program provides "community oriented primary care including traditional native concepts in multiple settings utilizing community-based, well-trained, medically-guided health care providers... Tribal governments make decisions regarding the types of personnel and services that most effectively meet the health care needs and priorities in their communities." This is true of the Colville CHR program, and its effectiveness in sharply reducing mortality rates is well established. We urge that the program be continued.

Water and Sanitation

There is a current national backlog of unmet Indian water and sanitation construction needs totalling more than $470,000,000. In FY 1983 the Congress made available $49,056,000 for this water and sanitation construction and, in FY 1984, $21,000,000. The President seeks to eliminate this program in FY 1985. We propose that the Congress provide the IHS with $39,000,000 in FY 1985 and continue this level of funding until such time as the backlog is eliminated. In the case of the Colville Reservation, there are more than 500 families that have selected home sites and would benefit from continuation of the program.

STATEMENT OF BRUCE A. RAMIREZ, ASSISTANT DIRECTOR, DEPARTMENT OF GOVERNMENTAL RELATIONS, THE COUNCIL FOR EXCEPTIONAL CHILDREN

Mr. Chairman, The Council for Exceptional Children is the national professional organization of persons involved in and concerned about the education of handicapped and gifted and talented children and youth. Over the years the Council has worked to insure that handicapped and gifted and talented students served by Bureau of Indian Affairs schools have available appropriate educational opportunities. In this regard we would request that the Senate Subcommittee on Interior Appropriations add a very modest amount of funds to the FY 1985 appropriations bill for the Department of the Interior to begin to address the educational needs of American Indian gifted and talented students and that the report accompanying the bill clarify that handicapped children ages three through four are to be afforded a free appropriate public education as required by P.L. 94-142.

Gifted and Talented Children and Youth

Mr. Chairman, it has now been more than four years since the Bureau of Indian Affairs (BIA) issued final regulations for Indian education policies, the transfer of education functions and the Indian School Equalization Program (ISEP) as required by the Education Amendments of 1978, P.L. 95-561. While these regulations did not mandate programs and services for gifted and talented students, certain sections of the regulations caused advocates and other interested individuals to be optimistic that programs and services for gifted and talented students would be established in the not too distant future. For example:

- The definition of "exceptional education programs" within the Indian Education Policies Regulations (Section 31a.2(e)) included "programs for the gifted and talented."

- Section 31a.4(t) of the Indian Education Policies Regulations directs the Assistant Secretary for Indian Affairs to "vigorously encourage and support alternative, innovative, and exemplary programs" in several areas including programs for gifted and talented students.

- Section 31h.21 of the ISEP Regulations required the Director, Office of Indian Education Programs, to review and determine whether a program for gifted and talented students should be incorporated into the weighted student formula. This was to occur within 12 months of final publication of the rule.

Despite this potential for planning, developing and implementing programs for gifted and talented students throughout the Bureau school system, special opportunities (i.e. enrichment, consultant teacher, resource room, community mentor, special class, special school) for gifted and talented children and youth are essentially nonexistent at the elementary and secondary school levels. As a result, as many as 1,350 - 2,250 students attending BIA schools are not receiving an education commensurate with their intellectual, academic, leadership, and visual and performing arts abilities.

As the nation has begun to respond to the report of the National Commission on Excellence in Education, interest and attention has again centered on gifted and talented education. More specific to Indian education, groups such as The Bureau of Indian Affairs Advisory Committee for Exceptional Children have expressed concern about the educational status of these students and the need for the Department/BIA to provide appropriate programming (see attached position paper).

Recommendation: As frustrating as the situation may be, we believe the Congress, as was the case with the education of handicapped children and youth several years ago, needs to provide the leadership and necessary resources to ensure that gifted and talented students attending BIA schools have available appropriate educational opportunities. In this regard, we would hope that the Congress would:

- Appropriate at least $75,000 for the specific purpose of developing in consultation with Indian tribes, school boards, and professionals a comprehensive program plan for identifying and serving gifted and talented students.

- Direct the Department/BIA, based upon the comprehensive program plan, to determine how the school allocation formula should be modified to provide fiscal support for gifted and talented programs beginning in fiscal year 1986.

Handicapped Children and Youth

Since 1977, the amount of special education fiscal support provided by the Congress, as well as resources available to the Department/BIA under The Education for All Handicapped Children Act, P.L. 94-142, have steadily increased; however, there continue to be problems that threaten the provision of full and appropriate education opportunities as required by P.L. 94-142. To date the Department of Education has yet to approve the FY 1984-86 Department of Interior/BIA state plan required under P.L. 94-142. As a result, approximately $10 million has yet to be made available to assist in the provision of special education and related services to handicapped children and youth.

Among the major problems delaying approval of the state plan is a proposed change that would no longer require the provision of a free appropriate public education to handicapped children who have not attained the age of five years. Since 1978, handicapped children, ages 3-4, have been afforded special education and related services on the same basis as handicapped children and youth ages 5-21. According to Office of Indian Education Programs officials this proposed change is being prompted by the Congress.

Mr. Chairman, we have voiced our opposition to this significant change in policy for the following reasons:

- While the number of handicapped children, ages 3-21, receiving special education through the BIA has been fairly stable between school year 1978-79 and school year 1982-83, the number of handicapped children, ages 3-5, has shown significant improvement in levels of participation. Over this same period the number of handicapped children, ages 3-5, receiving special education has grown by approximately 140 percent.
- Studies have increasingly demonstrated the general effectiveness as well as cost effectiveness of early intervention programs for young handicapped children. For example, early intervention has been found to increase intelligence in some children; produce substantial gains in motor development, language, emotional stability, cognitive abilities, and self-help skills; prevent the development of secondary handicapping conditions; reduce child abuse; and reduce societal dependence and institutionalization.
- The Congress in passing The Education of the Handicapped Act Amendments of 1983, P.L. 98-199, reaffirmed the importance of early childhood education and expanded the existing program to enable states to receive a grant to plan, develop, or implement a comprehensive service delivery system for handicapped children from birth through five years of age.
- BIA has disregarded its own regulation (ISEP Regulations, Section 31h. 131) requiring inclusion of pre-kindergarten programs in the allocation formula beginning in fiscal year 1982.

Recommendation: While steady progress has occurred in the availability of programs and services for handicapped children ages 3-5, this progress is now threatened by the BIA's interpretation of Congressional intent. In order that handicapped children, ages 3-4, and their families continue to enjoy the rights and protections afforded by P.L. 94-142, we urge that the report accompanying the FY 1985 appropriations bill clarify that the Congress has not directed the curtailment of special education and related services to handicapped children ages 3-4.

In closing, Mr. Chairman, we thank you for the opportunity to present these comments and recommendations. The Council for Exceptional Children stands ready, as always, to assist the Subcommittee in its continued efforts to improve programs and services provided to handicapped and gifted and talented children and youth served by the Department of Interior/BIA.

POSITION PAPER
ON THE
EDUCATION OF GIFTED AND TALENTED STUDENTS[1]

The Bureau of Indian Affairs Advisory Committee for Exceptional Children established an Ad Hoc Subcommittee on the Gifted and Talented during the winter of 1982 to (1) determine the status of gifted and talented education within the Bureau of Indian Affairs (BIA) and (2) develop a position paper with recommendations on the education of American Indian and Alaska Native gifted and talented students by the Bureau. This paper was considered, revised, and adopted by the full Committee during its meeting in Portland, Oregon, February 26, 1983.

It is the Committee's hope that the position paper and recommendations will provide a basis for further discussion and ultimately the timely development of appropriate educational programs and services for all American Indian and Alaska Native gifted and talented students served by the Bureau of

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[1] As used in this paper, "gifted and talented students" means a child or youth of school age who has been identified by professionally qualified personnel as possessing, or being capable of developing above-average abilities in areas such as general intellectual ability, specific academic ability, leadership ability, artistic ability and creative ability, and who by reason thereof, requires special education and related services.

Indian Affairs who are in need of special education and necessary support services.

STATUS OF GIFTED AND TALENTED EDUCATION NATIONWIDE

According to a longitudinal study begun in 1976 (Zettel, 1980) the following progress has occurred in state policy regarding the education of gifted and talented children:

- Thirty-nine (39) states currently have legislation that makes mention of or defines gifted and talented children.
- Forty-four (44) states presently have regulations or guidelines regarding the screening and identification of these children.
- Forty-eight (48) states have persons at the state level who devote 50 percent or more of their time to gifted and talented education. Forty-two states have full-time persons employed in these positions.
- Forty-three (43) states indicated they served a total of 766,759 gifted and talented students during the 1979-80 school year.
- Fifteen (15) states mandated the identification and provision of appropriate educational services for gifted and talented children during the 1980-81 school year.
- Seventeen (17) states either require or suggest the use of individualized education programs (IEPs) for their gifted and talented students.

GIFTED AND TALENTED EDUCATION NOT A PRIORITY WITHIN THE BUREAU OF INDIAN AFFAIRS

Based on available information, the education of gifted and talented American Indian and Alaska Native students has not been a major area of concern or interest by the Assistant Secretary's Office or the Office of Indian Education Programs. Presently there are:

1. No earmarked funds for the education of gifted and talented children and youth within the Bureau's education budget.
2. No Bureau regulations, policies, standards or guidelines recognize the existence of gifted and talented students and the need to provide for appropriate services to meet their unique educational needs.
3. No administrative positions (either full or part-time) for the education of gifted and talented students within the Office of Indian Education Programs or Area/Agency education offices.

While the essential service delivery ingredients are nonexistent, there has been some interest within the Office of Indian Education Programs concerning programs for these students.

1. During the public comment period on the proposed regulations for the Indian School Equalization Program (ISEP), several commentors requested inclusion of provisions for gifted and talented students. While the Bureau elected not to include these students in the ISEP in 1979, it was stated that "no single question was given greater consideration and effort by the Task Force in drafting this rule than this one.... It is the intent of the Bureau to incorporate such provisions in the ISEP at the earliest feasible time."
2. While ISEP provides no funds for these students, the ISEP Student Membership Guidelines and Instructional Manual contained a suggested definition for gifted and talented students.
3. In 1979 the Division of Exceptional Education conducted a survey of Bureau schools to determine the degree to which specialized services were available for gifted and talented students. Few, if any, services were found to exist; however, those responding indicated an interest in developing suitable programs for these students.

It has now been more than three years since the Bureau indicated an interest in this area and yet there is still no plan to develop programs and services for gifted and talented children nor has the Bureau or Department proposed to add a new factor to the funding formula (i.e., ISEP) for the education of these students.

In many respects the availability of appropriate educational opportunities for gifted and talented students is not unlike the situation that existed for handicapped children before the enactment of P.L. 94-142, except that the Department of Interior was the recipient of funds from the then Office of Education to plan and conduct a limited number of special education programs. While Section 906, Title IX of the Gifted and Talented Children's Education Act of 1978, P.L. 95-561, allowed for the participation of the Department of the Interior (who along with the territories and Department of Defense oversees schools were eligible to share up to one percent of the funds available to the states) in any year in which the appropriations equaled or exceeded $15 million, the appropriations never reached this level. As a result, the Bureau of Indian Affairs never received any flow through funds to begin to develop programs for gifted and talented children. The Gifted and Talented Children's Education Act was folded into the Elementary and Secondary Education Block Grant and no longer holds any promise of funding for the Bureau of Indian Affairs for the initiation of programs for the education of gifted and talented children and youth.

STATEMENT OF NEED AND PURPOSE

Using the Department of Education's estimated prevalence rate of 3-5 percent and a student population of 45,000 this would mean that there could be as many as 1,350-2,250 gifted and talented students attending Bureau schools who are not now receiving specialized instruction.

The Advisory Committee believes that:

1. One of the greatest resources for solving the critical problems facing Indian people are American Indian and Alaska Native gifted and talented children and youth.
2. Unless the special abilities of these children and youth are developed during the elementary and secondary school years their special potentials for assisting Indian people and the country as a whole may be lost.
3. Failure to adopt specific educational policy concerning the gifted and talented may result in educational maladjustment since many of these students will participate in activities that hold little, if any, educational satisfaction, relevancy or challenge resulting in boredom, academic underachievement, undeveloped talents, alienation and ultimately the premature curtailment of one's education.

In order to develop the abilities and potential of American Indian and Alaska Native gifted and talented students it should be the policy of the Department of the Interior and Bureau of Indian Affairs to provide appropriate educational opportunities for all gifted and talented children and youth attending or eligible to attend Bureau of Indian Affairs operated and contracted shcools. Such education should be provided through the development of special education programs and support services individually designed for each gifted and talented student's unique education needs.

MINIMUM SERVICE DELIVERY COMPONENTS

In establishing a program for gifted and talented students it is suggested that particular attention be given to the following areas:

Identification

Each agency/area education office and school should locate, evaluate and identify all students within their jurisdiction who are gifted and talented and who require special education and necessary support services.

Provision of Special Education

Each agency/area education office and school should develop and implement an individually designed educational program consisting of special education and necessary support services for each identified gifted and talented student. Service delivery options should include instruction in regular classes, itinerant instruction, resource rooms, special classes and special schools. Enrichment and accelerated activities as well as internship and mentorship opportunities should be available through theses program alternatives.

Administrative Unit

The Office of Indian Education Programs should establish and administrative unit (i.e., Division, Branch) for the education of gifted and talented students. This unit should have a sufficient number of qualified personnel to enable the Office of Indian Education Programs to carry out its various duties. The supervision of the provision of special education and necessary support services to all gifted and talented students should be a primary responsibility of this unit. Other responsibilities should include, but not be limited to, the following:

1. Adoption of regulations, standards, procedures and guidelines for the education of gifted and talented students.
2. Development of standards and qualified personnel.
3. Development of plans for the education of gifted and talented students.
4. Provision of technical assistance and training.
5. Development of public information programs regarding the nature and extent of educational needs of gifted and talented students.

Advisory Committee

To assist the Bureau of Indian Affairs formulate and implement policies, procedures, programs and activities it is suggested that an advisory committee be established. Members should include representatives of groups such as the following: gifted and talented students, teachers of the gifted and talented, parents, program administrators, tribal education/school officials, etc. Consideration should be given to expanding the Bureau of Indian Affairs Advisory Committee for Exceptional Children to meet this purpose.

Personnel

The Office of Indian Education Programs, agency/area education offices and schools should employ qualified personnel. It may be necessary for the Office of Indian Education Programs to develop and adopt policies authorizing the employment of non-certificated personnel such as artists, craftsman or other master instructors.

Personnel Development

The Office of Indian Education Programs and each agency/area education office should develop a plan for personnel development. Such plan should provide for in-service education, procedures to insure sufficient personnel are available to educate gifted and talented students and procedures for acquiring and disseminating significant information about the education of gifted and talented children derived from research, demonstration and model projects.

Finance

The Indian School Equalization Program should be revised to add a weighted factor for the education of gifted and talented students. Among the costs to be considered in arriving at this factor are instructional services, personnel, facilities, administration and support services (i.e., transportation, counseling, etc.).

NEEDED ACTIONS FOR PROGRAM DEVELOPMENT

In order to provide appropriate educational opportunities for all American Indian and Alaska Native gifted and talented students attending or eligible to attend Bureau schools, the Advisory Panel urgently requests that the Assistant Secretary for Indian Affairs and Director of the Office for Indian Education Programs develop and implement a comprehensive program plan for serving these students. This plan should be of sufficient detail to provide a basis for requesting earmarked funds for education of gifted and talented students for fiscal 1985. In order to complete this plan for the education of gifted and talented students and begin to employ qualified personnel, the Bureau and Department should earmark and/or request additional funds for the remainder of fiscal 1983 as well as request additional earmarked funds for fiscal 1984.

REFERENCES

U.S. Department of the Interior. Bureau of Indian Affairs; Indian School Equalization Program. Federal Register, October 26, 1979.

Zettel, J. J. Gifted and Talented Education From a Nationwide Perspective. Reston, VA: The ERIC Clearinghouse on Handicapped and Gifted Children, December 1980. (ED 197 576)

STATEMENT OF STEVEN DARDEN, CHAIRMAN, AFFILIATION OF ARIZONA INDIAN CENTERS, INC.

Please find this testimony submitted to the Senate Interior Committee by Steven Darden, Chairman of the Board of Directors, of the Affiliation of Arizona Indian Centers, Inc., Phoenix, Arizona. The concerns of the Affiliation are centered over the proposed budget submitted by the Bureau of Indian Affairs. The specific concern with the proposal is the fact that the Bureau of Indian Affairs did not include funding for any off-reservation grantees to operate Indian Child Welfare grants. The BIA proposal is a blantant attempt to thwart the intent of the Indian Child Welfare Act. Through the Indian Child Welfare Act, it was intended to try to keep Indian children with their families or place them with other Indian people. Historically, many Indian children were placed in non-Indian homes which separated them from their families as well as separating them from their identities as Indians. Congress, in their wisdom, enacted the Indian Child Welfare Act in an attempt to remedy this historical problem. It was intended that grants would be provided tribes and Indian organizations, on and off-reservation and networks would be developed between off-reservation Indian organizations, on-reservation organizations and Indian tribes in an attempt to alleviate this long standing problem. In off-reservation areas, cities and town, Indian organizations had begun to develop networks with state agencies as well as Indian tribes that have prevented many Indian children from being wrongfully placed in foster homes. In 1978, and 1979, the State of Arizona, Department of Economic Security, Child Protection Services reported an average of 85 Indian children each month in non-Indian foster homes in Maricopa County (Phoenix, Tempe, Scottsdale, Glendale & Mesa). They also reported that the placement of Indian children in foster homes was 75% higher than non-Indian cases. In 1979, the Phoenix Indian Center was funded by the BIA to operate an Indian Child Welfare grant and through their efforts by

1983, the placement of Indian children in foster homes was reduced by 58% or had a new average of 35 Indian children per month were in foster homes. If the budget proposal of the BIA is approved and the anticipated language in the appropriation for the grants is approved authorizing grants only to federally recognized tribes then the needs of many Indian children off-reservations and the intent of the Indian Child Welfare Act will not be met.

STATEMENT OF THE CALIFORNIA URBAN INDIAN HEALTH COUNCIL, INC.

The relatively small amount of money we receive from the Indian Health Care Improvement Act for health care for over 81% of the state's Indian population is critical. That Act must be reauthorized money appropriated for urban programs and a more rational way of allocating funds must be developed.

The tale of California's urban Indian population is a sad and frustrating one. Before the arrival of the Spainards in California in the 1700's, the population was estimated to be as high as 1 million. Disease, war, genocide and slavery reduced the population to 17,000 by 1910. Between 1950 and 1970, the Bureau of Indian Affairs paid for the relocation of 97,569 Indians to urban areas in California. By 1980, the census showed 201,311 American Indians in California and the population to be 81% urban.

In 1953, Congress removed all federally funded services from California and not until 1976 were federal funds authorized for urban Indian health in California.

The eight years since have been characterized by the establishment of health programs in eight urban areas, increased linkages with mainstream providers and the generation of state and private funds to meet the health needs of the population.

Unfortunately, the years have also been characterized by irrational funding decisions, confusion over eligibility and continuing ignorance about the needs of the population.

Our funding has decreased 13% over the past 4 years and while that decrease was occuring:

-The unemployment rate for Indians in the state is double the general population rate.

-The total average per capita cost for health care in California was 19% higher than the rest of the country. And in areas where our clinics are the costs were 26% higher in Los Angeles; 17% in Bakersfield; 19% in San Diego and 16% in San Francisco/Oakland.

-The American Chamber of Commerce Research Association comparison of inter-city cost of living for the 3rd quarter of 1983 compares health care costs in 238 urban areas against a national average of 100. For all areas where we have clinics, the health care index is significantly higher than 100. In seven areas in California where we have health clinics, the index shows 117.3 for Bakersfield; 118.3 for Fresno; 130.2 for Sacramento; 123.6 for San Diego; 137.5 for San Jose. Of the states reporting with more than 2 cities in that survey, only 5 including California show all participating cities over the national average.

-People frequently discuss the large number of physicians in the state, but fewer than 4,000 of those physicians (less than 10% of the total practicing) see more than 60% of the state's MediCal patients. The California Health Manpower Plan points out that although the state has an oversupply of physicians (225/100,000 population compared to 175/100,000 in the country), those physicians are not evenly distributed. The Plan says that in urban areas a large majority of physicians are located in areas in which medical facilities are concentrated and which tend to be middle class or wealthier areas.

Also, the Plan says that the result of geographic maldistribution of physicians is that the population residing in neighborhoods and communities with shortages are forced to rely on hospital emergency rooms for routine care. Our clinics were established and continue to exist to prevent reliance on expensive acute care providers.

Between 1979 and 1982, oespite the decrease in federal funds, the effects of inflation, and defunding of two clinics in Los Angeles, California programs saw 38% more patients. The National Health Plan submitted to Congress in 1980 estimated the unmet urban Indian health needs for the nation for 1984 was $27 million. Between 1980-1983, our nationwide funds were reduced from $8.9 million to $8 million.

Discussions with Indian Health Service in California about the unmet needs of the population have been frustrating. In 1983, when reminded that the 1980 census data showed the State's Indian population to be 81% urban, IHS data showed it to be only 49% urban. After IHS was provided with Census Bureau information, they responded that they only count as valid those areas already served by programs. Their description said that although the census showed 164,178 urban Indians, they only recognized 99,362. (The remaining 66,721 were either counted as rural/tribal (if they lived in a country with a tribally funded program) or were not counted at all.) Over 35,000 urban Indians fall into this category and are not counted or served or considered at all.

Orange County has 12,942 Indians (6.4% of the total Indian population) and it has no Indian health program and no county hospital. A survey conducted in that county by the Council indicated that 31% of the Indian population has no health insurance to pay for privately offered care. Ventura County, with 2.4% of the Indian population (4,901) also has no Indian health program and the Council's 1981 survey showed 55% of the population reported no health insurance. There is no county hospital in that county either. Kern County, with 6,000 Indian people, receives insufficient funds to provide a full range of health services.

And Los Angeles County, with 23% of the Indian population, has lost over 30% of its urban Indian health funds, despite a promise by the government that when it consolidated delivery of care from 3 clinics to one, it would protect the County's total funding level. In the counties served by our clinics, there are no county hospitals in Madera, Marin, Sacramento, San Diego, Santa Barbara or Tulare Counties.

In a state where health reform is occuring daily and in an era when local control is the "by-word," we are gravely concerned that the Federal Administration has not made a consistent commitment to urban Indian health.

Surveys performed by our organization indicate that more than 25% of our clinics' income is generated from MediCal, yet the State's proposal to enter into exclusive contracts for MediCal recipients may exclude participation by our clinics. Health promotion activities that have attracted privately insured Indian patients are also threatened by reforms that create exclusive prudent buyer plans.

Block grant proposals that surface constantly in our state propose to "turn-over" vitally needed maternal and child health and alcohol funds to counties, where there is a lack of understanding of Indian health issues according to our surveys.

Seventy percent of mainstream providers surveyed--hospitals, private doctors and non-Indian clinics--had a low awareness of the size of the Indian population in California and the existence of high risk factors in the population--including SIDS, diabetes, FAS and various prenatal care issues. Although most respondents were interested in information, some responded with comments that cultural issues were not relevant to quality of care; some suggested the survey should have been done in New Mexico or Arizona (implying that there was no Indian population in California). (Survey findings are submitted with this Testimony.)

Indian Health Service must develop a rational allocation formula that reflects the increase in population, the difference in cost of care, accessibility of care and attitude and awareness of mainstream providers. The Rincon court decision which reprimanded IHS for irrational allocation of funds and directed the agency to correct that problem, led to establishment of an equity fund that benefitted California urban Indian health in no way since no urban program received a dollar of equity funding. We are providing information on the IHS service population and their distribution of funds (Attachments A, B, C and D). Please note that even though the Los Angeles area Indian population is approximately 50,000 the L.A. area has been decreased from its FY'81 urban health funding of $743,000 to its current level of $465,000.

In each of the 4 years that President Reagan has submitted a budget to Congress, urban Indian health funds have been eliminated. Congress has restored those funds each year, although the total funding level is not 1% higher than it was in 1981; and, we reiterate, California has lost 13% of its funds during that same period.

Despite this reduction, our clinics are proud of their achievements. Like federally funded community health centers, we provide preventive and primary care at costs lower than private physicians and hospital emergency rooms. The care is culturally appropriate, geared to address high risks such as diabetes, alcoholism, preventable communicable diseases and Fetal Alcohol Syndrome. We have sliding fee schedules and all of our clinics have generated additional revenue so that the federal share of operating costs is generally less than 60%. The clinics provide dental and medical care, optometric services, well baby clinics, health education programs and outreach and referral. They are governed by all Indian Boards of Directors, elected by their communities. Indian control of the programs assures that services are geared to Indian health needs and are delivered in a culturally appropriate manner. This is especially important because the number of American Indian primary care physicians in the state is disproportionately low (1 physician for every 7,539 Indian people).

No maternal and child health funds are allocated by IHS to urban areas in California. This despite the fact that California Indian women have the highest rate of late or no prenatal care, Indian infants have the highest rate of Sudden Infant Death Syndrome, the highest rate of post neonatal mortality and the second highest rate of infant mortality.

Of the $23 million appropriated for Indian alcohol services nationally, California gets only 10% of the funds. Although we lost 13% of our funds between 1981-1983, Indian medical patient visits increased 27%. Medical and dental visits for Indian and non-Indian patients, including Vietnamese and other minority groups increased 16% over that period. And this increase occurred despite the closing of two programs.

We look forward to working with you to address the health needs of California's Indian population and we continue to hope that the IHS will listen to us and respond to the needs of our people. Also, we will be happy to provide any additional information.

Statement of Wayne J. Johnson, Tribal Business Manager, Walker River Paiute Tribe, Schurz, Nev.

Mr. Chairman, my name is Wayne Johnson, and I am the Tribal Business Manager of the Walker River Paiute Tribe, of Schurz, Nevada. I have been designated by the Tribe to relate to the US Congress, the budgetary problems we have and continue to experience with our reservation irrigation system. We are situated in an isolated area about 100 miles south of Reno, Nevada. This reservation has a population of approximately 600 people with 21% or 128 of these being irrigation water users. Ninety percent or 115 of these water users are Indian. The average farm size is 21.87 acres. Our distribution system consists of approximately 16½ miles of four foot concrete ditch and approximately 19 miles of earthen ditches. This system also has a 14,900 acre-foot reservoir and one river diversion structure.

With 1/5 of the reservation population dependent upon agriculture for some portion of their income, it is critical to the economy of our reservation to maintain an efficient irrigation delivery system. During FY82 and 83, the irrigation system was operated by the Walker River Paiute Tribe via a PL93-638 contract with the Bureau of Indian Affairs (BIA).

During FY83, the Walker River Paiute Tribe received $13,250 from the BIA for the Operation and maintenance of this irrigation system. An additional $3,048.55 was received from assessments the BIA made upon the water users. The Irrigation Operation and Maintenance (O&M) monies are distributed by the Agency based solely upon historic precedence. Below are the allocations of 3800 funds (Irrigation O&M) of the Western Nevada Agency:

H61	Western Nevada Agency	Project Size (Acres)		OM&R Allotment	Allotment Per Acre	Category
085-3-3800	Ft. McDermitt	967		16,940	17.52	3
088-3-3800	Fallon	1,610		79,980	49.68	5
089-3-3800	Moapa	471		3,450	7.32	3
090-X-0800	Pyramid Lake	951		15,490	16.29	2
091-X-0800	Walker River	2,830		13,250	4.68	2
092-3-3800	Carson Misc			32,240		
	Yomba	1,634	16,120		9.86	3
	Campbell Ranch	929	10,530		11.33	3
	Summit Lake	500	5,590		11.18	3
161-3-3800	Washoe Ranch	417		3,450	8.27	3

From the above figures, it is apparent that some reservations which have extensive irrigation systems are receiving a disproportionately small allocation of funds, given their size. For instance, assume the Fallon Reservation has about 1,600 acres under irrigation, it receives an allocation of about $49 per acre. By contrast, the Washoe Tribe receives an allocation equivalent to about $8 per acre, assuming it irrigates 417 acres. The Walker River Reservation irrigates approximately 2,800 acres and receives only $5 per acre.

Economies of scale do not justify these equitabilities. Of these systems, the one mandated system (Fallon) receives far more money per acre than other reservation systems. It is questionable whether Fallon's allotment can be justified, based solely on assessments made by the Truckee-Carson Irrigation District, the entity which manages the irrigation system in the entire Fallon area.

The problem appears to be that the BIA has simply not requested adequate funding from Congress for the operation and maintenance of reservation irrigation systems. As stated in Conference Report No. 98-399, "The managers agree with the direction in the House report regarding the need for more detailed and completed justifications for the Irrigation O&M account in the future" (p. 22). House Report No. 98-253 states, "The Committee remains concerned, as it has for the past two years, that each year, large increases are proposed for this activity, without adequate justification to enable the Committee to understand the basis for these increases. Rather than decrease the estimate, and penalize the Indian people involved, the Committee has agreed to the amount proposed" (p. 52).

However, Indian people are being penalized both by the BIA's action and inaction. On page BIA 185 of the US Department of the Interior Budget Justifications, FY85, the BIA proposes a reduction from $412,200 in FY84 to $266,700 in FY85. The stated justification for this major reduction is that "the reductions in these requests reflect self-imposed constraints with intent to require the projects to operate more efficiently and to utilize belt-tightening measures". Belt-tightening measures were proposed unilaterally by the BIA on all tribal systems for FY85.

In Western Nevada, the imposition of such additional reductions proposed for FY85 are especially critical to the only two reservations which have been classified as Category 1 systems. Any deficits which occur within Western Nevada Reservation irrigation systems are recouped by further reducing allocations to the two category 2 systems, Pyramid Lake and Walker River. Shortfalls on these two reservations are proposed to be regained by increasing the assessment rate imposed upon water users on these two reservations. This policy magnifies the inequitabilities already existing among reservations of Western Nevada.

A minimum budget for irrigation O&M on the Walker River Reservation is $35,000. However, since the Tribe began managing this irrigation system in FY82, it received $14,500 the first year and $13,250 the second year. These levels of funding are totally inadequate. By comparison, when the BIA operated this system three years ago, it was paying $17,000 solely for the ditch rider's salary. Given all the other costs of operating this irrigation system, it is highly unlikely that the BIA can operate this irrigation system for less than $35,000.

Despite Congressional mandates over the last two years, the BIA consistently fails to provide a more detailed budget. One plausible basis for this failure is that by its nature, the BIA has a top down structure. Needs of Indian reservations are defined in either the BIA's Central or Area Offices. Funding is secured and distributed to the Area Offices, then distributed to Agency Offices and, in turn, distributed to Indian reservations. In such a structure, detailed budgets cannot be formulated because the needs for each specific reservation irrigation project cannot be identified at the third and fourth level of administration. Also, in this type of system, allocations made at each level can be based upon partisan treatment of selected reservations to the detriment of other reservations.

Prior to the FY83 irrigation season, the Superintendent of the Western Nevada Agency held two meetings at which representatives of seven Western Nevada reservations discussed the redistribution of that Agency's allocation of O&M monies. At these meetings, agency staff and the reservation representatives developed a formula upon which O&M allocations could be made. Eleven factors were taken into consideration: the number of small vs. large acre parcels irrigated within an irrigation system; the amount of earthen vs. concrete lined ditches; the number of concrete and/or rock diversion dams; the number of syphons; the number of river and/or well pumps, the number of reservoirs; as well as the amount of fixed water master fees.

Apparently for political reasons, agency personnel are not willing to make changes in the methods and amounts each reservation was allocated in the past.

Therefore, any inequities which existed in the past continue to exist indefinitely. Even more frustrating for tribal irrigation systems, for budgetary purposes, irrigation projects are classified as "non-banded" contracts; Tribes are not allowed input to budget formulation at the Agency level for projects designated "non-banded". The Walker River Paiute Tribe is outraged that the BIA formulates a budget for a tribal irrigation system without consulting the tribal operational level of the irrigation distribution system.

Clearly, there are numerous inequities in the manner in which the BIA Agency Office distributes irrigation O&M money. In light of these inequities at the Agency Office, there are similar inequities in the manner in which the Bureau's Central Office distributes 3800 monies. We propose that all irrigation monies distributed out of the BIA's Central Office be distributed on a formula basis, based on either the size of the project or on some other objective criteria that has some relevance to need.

We further propose that a formula be adopted at the Central Office level for the distribution of irrigation O&M monies at all levels for every reservation and also that congressional appropriations be made to each individual irrigation project.

Advantages for implementing such a system are evident. First, the current inequities in the distribution of irrigation O&M monies would be reduced or eliminated. By its own admission, the BIA in the FY85 Budget Justification, (p. BIA-185) has been making "payments from appropriated funds to Category 1 (irrigation) projects" despite Assistant Commissioner Fred Massey's directive of July 11, 1960 to discontinue such payments. Irrigation projects will comply with statutes if discretionary powers of the BIA are reduced at all levels.

Secondly, especially for those tribes which wish to 638 contract their irrigation projects, implementing this proposed formula would be a major move toward Indian self-determination and would reduce the top down structure of the BIA. Tribes will be motivated to define the needs of their own individual irrigation systems. Irrigation Committees will become political arms of tribes to promote the passage of favorable legislation. Presently, tribal irrigation committees are either largely non-functional or non-existent.

Third, reservation irrigation systems managed by each tribe will be more responsive to the needs of water users than the BIA. When the irrigation system is administered by the BIA, the reservation water users receive irrigation water later than the surrounding farming communities. While the Walker River Paiute Tribe operated its irrigation system these last two years, irrigation water was delivered two weeks to a month earlier than the BIA did in prior years.

Due to an insufficient allocation from the BIA Agency Office to operate the system, in February of this year, the Walker River Paiute Tribal Irrigation Board moved not to contract the reservation irrigation system for FY84. Since February 1984, the BIA has not made any effort to assure water delivery by April 15 to Walker River Paiute Tribe water users. There is extensive storm damage to the concrete canal system which needs to be repaired, canal and laterals need to be cleaned and burned. To date, the BIA still has not made any effort to prepare for the upcoming irrigation season. Also, since tribes have more of a vested interest in the reservation irrigation system than the BIA, detailed budget justifications requested by Congress are more likely to be provided by tribes than it has been by the BIA.

Finally, with less discretionary power centered in the BIA, especially at the Agency and Area levels, there would be a substantial reduction in need for BIA personnel. This cost savings could be passed on to tribes at the operational level. Tribes would establish their priorities independently and not in competition or at the expense of other tribes within the agency.

STATEMENT OF ETHEL C. KREPPS, PRESIDENT, OKLAHOMA INDIAN CHILD WELFARE ASSOCIATION; MEMBER, AMERICAN INDIAN ALASKAN NATIVE SOCIAL WORKERS ASSOCIATION, INC.

The Indian Child Welfare Act Title II programs were initially funded at $5.5m in 1980 when 122 tribes and 43 off-reservation programs received grants. A pattern of three-fourths of the money to tribes and one-fourth to off-reservation programs was established. In recent years the programs have been funded at a level of $9.7m. However, in Conference Committee before Congress' Christmas break 1983, funding for Title II programs was reduced to $8.7m. We impress upon you the importance of restoration of the $1m for these programs.

Over the last three years the Indian Association and Organizations joined by tribes and off-reservation programs has requested an increase in funding of ICWA programs to $15m. This figure has been used because it was first advanced by the Bureau of Indian Affairs, the agency responsible for the gathering and analysis of data to establish budget requests as the minimum funds needed to implement the ICWA.

However, it is the general opinion that a credible position with regard to data collection and analysis of Title II programs has never been established. This problem has been called to the attention of Congress in successive testimony of Indian people. Most recently this problem was presented to Congressman Pat Williams at hearings held in Spokane, Washington in August, 1983. "We have a number of concerns regarding the Bureau's response to its mandate to implement the Act. In this connection we are confused that there has not been a national effort under Bureau leadership to develop adequate reporting systems. Reporting systems are primal ingredients in our budget process. A national reporting system to measure the capability of Title II programs does not exist. The problems created for Congress and the Administration can be seen immediately.

The Bureau's Branch of Social Services performs two periodic surveys. One is an unduplicated case count that reflects separation in state and federal responsibility for various catagories of assistance and service. The other is concerned with jurisdictional status of Indian children. These reports give the Bureau a guage of the direct federal financing needed. The Bureau has not brought these reports forward to the tribes and Indian organizations for an examination as to how universal information needs can met. It is impossible to understand how the Bureau is able to translate the operations of the Title II programs to the Administration and Congress when basic reporting mechanisms have not been developed. Upon entry into office the Administration determined to eliminate the Title II programs because they were inadequately funded to perform. In view of the responsibility that was thrust upon tribal governments we agree with the Administration's position that funding is inadequate. However we contest its position that the programs are not adequately performing. In the last year the Cheyenne-Arapahoe program has returned 71 children to their families and people. The Burns-Paiute and Metlakatla communities did not place any children outside their familes in FY 83. What are the specific ingredients of effort that have made this possible? Unfortunately, focus to determine the characteristic knowledge and technique of these successes is absent in the Bureau's activities.

Another area of implementation which is being neglected concerns training. It is well recognized in the field of social work that different peoples bring variable interpretations and resources to therapy. In spite of this there has not been a national effort to examine the theoretical base of Indian social work practice. This is especially crucial because many tribes and organizations are required to hire workers at the master's level for program directorships. Many tribes do not have local personnel with these credentials and are forced to hire non-Indian personnel for these positions. This presents problems because the non-Indian personnel do not know the community and its people and are therefore handicapped in their ability to make full use of the resources available. The pattern that has developed is that these workers become frustrated and overwhelmed with their responsibilities and usually leave after a year of employment.

These practices have consistently limited the ability of these programs to develop. As a consequence many Title II programs must begin development at each new funding period. This is inexcuseable and encourages ineffective use of resources that are badly needed. Lack of leadership in this area inhibits the right of self determination. It is impossible to be self-determining when the manner in which one can best proceed is confused and obscured. These are serious developmental concerns that will not go away. The limited training that has been available has been funded through the Administration for Native Americans and has been concentrated on the development of tribal-state agreements and compliance with the Adoption Assistance Act. Through the years Bureau funds have been made available for training of tribal court judges but again it has not been comprehensive in scope and social services staff have not had the opportunity to participate in the design. It must be called to your attention that we are dealing with some of the most intimate aspects of life and the approach must be knowledgeable and judicious." These situations highlight the difficulties involved in data gathering efforts. A uniform reporting mechanism that reflects services provided by these programs does not exist and this problem is complicated by the frequent changes in principal personnel and these complications are further compounded by the erractic funding patterns established by the Bureau. There is no guarantee that a program which is providing essential and well grounded services will receive funding in the following year.

We see an urgent need to establish a reliable data base regarding these programs and implementation progress. In preparation for oversight hearings on the Act which will be held later this spring the Association is presently surveying all tribes and urban organizations to gather information regarding adequate levels of funding in addition to needs for amendments and regulations changes. We will be prepared to present our data and analysis at the oversight hearings.

Through the years the Title II ICWA programs have taken on greater and greater responsibilities in the area of family and children's services. For example, it is not unusual that program staff are performing child protective investigations which have previously been the responsibility of states. In spite of the fact that this situation has resulted principally from the States' moves to absolve themselves of responsibility for Indian children after passage of the Act, we are encouraged by the moves and welcome the opportunity to work more closely with states and county governments to meet local co-existing needs. Immediately you can begin to see the complicated problem involved to make truly reliable projections regarding funding levels. We do know that the resources of Title II monies are strained. The FY 84 request for Title II funding by the Seattle Indian Center reveals that the average annual cost per client will be $180.00. The Spokane Tribe's request includes an average annual cost per client of $333.00.

In testimony before you last year, the following information was provided: "The services provided through Title II grants cover the gamut of protective and traditional child welfare services offered by state and county agencies throughout the country. These include ongoing outreach, diagnosis and treatment, recruitment and licensing of foster care and adoptive homes. Because of the economic stress in these communities the programs provide extensive crisis intervention and support services... In FY 81 the Portland area maintained an average caseload per program of 217 cases with an expenditure of $775.00 per family. Comparable statistics for Sacramento and Billings area are 368 average caseload and $184.00 average cost for services to families, and 214 cases and $280.00 per family respectively. Information from Oklahoma graphically speaks to the actual fiscal benefit to the Indian person.

ICWA appropriations to the BIA resulted in these actual figures for Oklahoma:

FUNDS REQUESTED	FUNDS AWARDED	INDIAN POPULATION	PER CAPITA
$ 842,833.00/1980	$ 499,403.00/1980	169,459	Less than $3.00
$1,568,877.00/1981	$ 918,483.00/1981	169,459 +	Less than $6.00
$2,386,749.00/1982	$1,204,235.00/1982	169,459 +	Less than $8.00

It cannot be avoided that social services programs in any community provide essential ingredients of the safety net that is necessary to meet basic and common human needs.

A comparison with expenditures for like services provided by the State of Connecticut reveals an average cost of services provided to families of $6,178.00. The costs for family focused services throughout the country range from $1,500.00 to $9,000.00 per year per family. The disparity between the resources available to the general public and to Indians is staggering. Although Indians are eligible to receive services provided to all other citizens, our experience since the passage of the Act has been that the courts and social services departments choose to absolve themselves of responsibility for services to Indians and press them on the meager resources of Indian programs funded through the Indian Child Welfare Act.

You are again being asked to reduce the level of funding for Title II programs to $7.7m in FY 85. We submit that this request is being made to you in the absence of reliable data and are alarmed at the callous inattention of the Bureau to establish a reliable data base. In FY 85 it is proposed that funding for off-reservation programs will be reduced to $1.7m. Tribal programs will receive $6m in funding. In our opinion this is excessively in equitable. We call your attention to the fact that at any given time, 50% of the Indian population is in constant movement on and off reservation to seek employment and improved living conditions. Unemployment rates are a standard 60% across Indian country. The stable urban Indian populations are small while the transient Indian population is great. No attention has been given to these phenomena by the Bureau and the Department of Health and Human Services which shares responsibility to assist tribes and Indian organizations to implement the Act. The current budgetary constraints on state and county governments magnifies the stress placed on Indian programs to provide services to their people that are the right of all citizens. We ask that you carefully examine our position and reject the Administration's proposal to reduce funding to $7.7m in light of the fact that the Bureau has not presented reliable information on which to base its projections. We are mindful that the Administration's proposal to eliminate entirely funding for Title II programs has not been withdrawn. In our opinion, this is a flagrant disregard of the needs of Indian people and urge your sober and probing examination of the problems we have presented to you.

STATEMENT OF B. JACK WARREN, EXECUTIVE VICE PRESIDENT, FOREST FARMERS ASSOCIATION

Mr. Chairman and Members of the Committee, my name is Jack Warren, Executive Vice President of Forest Farmers Association, an organization composed of timberland owners concentrated in 15 southern states and other interested citizens nationwide.

I appreciate the opportunity to testify today before this committee.

My testimony is directed toward the President's budget request for U.S. Forest Service f.y. 1985 appropriations. We strongly support the President's efforts to balance the Federal budget, and recognize that funding for all activities and programs must be carefully scrutinized and evaluated. We do urge, however, that reductions be made on a priority basis with the essential and most highly cost-effective forestry programs be maintained at least at basic minimum levels. Our Nation's forest development is vital to its longrange economic health, and certain programs such as fire protection, insect and disease control, and research should be administered on a continuing basis.

The President's f.y. 1985 total budget request for the U.S. Forest Service reflects a modest increase over f.y. 1984 budget; however, the appropriations available for the agency to conduct its activities that affect our members shows a reduction. A large portion of this reduction is reflected in the funds available for state and private forestry programs and research activities.

Our association recommends the following:

State and Private Forestry

The President's budget request reflects a 58 percent reduction from the f.y. 1984 level. We urge this committee to consider providing funds for Forest Pest Management, Fire Protection and Forest Management and Utilization at or slightly above the 1984 level, which was reduced some 4 percent from the 1983 level. The President's proposed budget would strip cooperative forestry funds to the states. Since most states are not capable of compensating for these lost funds, protection from fire, insect and disease would be at a most vulnerable level. Also, technical assistance to landowners would be eliminated. We do agree that reductions are necessary in order to balance the budget, but a cut this drastic would not give the states adequate time to generate funds to take over the programs cut.

The State and Private Forestry program is less than 1 percent of the total Forest Service budget. Actually, it amounts to less than one-half of one percent when pest management funds for federal forest lands are taken out. According to the President's 1985 budget, there will be no funds available for pest management on private lands. We urge this committee to review the importance of a unified state and private forestry program, nationwide, with federal participation to protect our forest resources from fire, insects and disease. We feel that the state forestry agencies are a very important part of meeting our nation's wood needs and support their efforts in regaining funds lost over the past few years. Please listen carefully when a panel of state foresters testify before your committee this afternoon. We highly support their issues.

Research

We recommend that federal forest research programs be maintained at the same level as in f.y. 1984, or at $108 million. We recommend also that any such reduction, which may be dictated by inflation, be allocated on a priority basis, rather than across the board. Key programs and activities such as the Forest Survey; Fire, Insect and Disease Protection and Control; Pine and Hardwood Regeneration and Forest Utilization Research should not be reduced below f.y. 1984 levels. We recommend that the Sewanee, Tennessee hardwood research station not be closed as proposed by the Forest Service. These research programs and activities are of vital importance to private nonindustrial landowners as well as to forest products industries in the South and across the Nation. The U.S. Forest Service research program is very well conceived and administered and is respected by the forestry community. Research is one activity in which the federal government is best equipped to exert a leadership role.

In conclusion, while the state and private forestry and research programs total less than 5 percent of the total Forest Service budget, our association feels it is extremely important that they be maintained at adequate levels on a priority basis.

Your committee over the years has demonstrated a deep understanding and support for adequate federal forestry programs. This support has been most gratifying, and I thank you on behalf of forestland owners and private forest interests in the South for the fine programs your insight has made possible. Thank you for permitting me to present these views.

STATEMENT OF ROBERT C. BRASTED, ST. PAUL, MINN.

May I introduce myself. I am a holder of a Forest Service Permit to lease a parcel of land in the Chippewa National Forest near the city of Walker Minnesota. I am also a teacher of chemistry in the Twin Cities of Minnesota.

It has been a joy and a privilege to develop this property over these years working under the direction and supervision of the Forest Service personnel in the Walker area. As one of some 20 or more individuals we have paid the ever increasing fees however it has reached a point where all of us are convinced that it is near a breaking point. As you are well aware we do not have the same privileges as property owners. Though we are not (and cannot) be taxed for real estate since it is not our property, we are by the County taxed an equivalent amount for personal property in an area where the residents of the county pay no personal property.

There have been suggestions that we should pay in taxes and fees the same as if we were owners which does , in my judgement not make sense. Further most of us in the holding area on Leech Lake of Minneosta live hundreds, in fact thousands of miles from the property during the year. The property is in an area that would be attractive only to those living close enough to live with fuel shortages should they again occur (and they will). We have fewer options than would owners of property since a potential buyer of our cabins will always know that the property may be subject to cancellation of the permit. You may take my word for it that real estate does not move under these conditions. It is not fair then that taxation in the form of fees should escalate at the rate we have seen up to this past year.

I believe in all sincerity that we have been responsible users of the land, we have contributed verylarge sums to the welfare of the County in which our property is located, we are willing to pay fees that are in keeping with the value. As one holder, in conclusion, I hope that those responsible for establishing fees, permits, and supervision will also be realistic.

Thanking you for your receptiveness.

LETTER FROM GARY MALM, PRESIDENT, GRAND FORKS PARK DISTRICT

March 23, 1984

Dear Chairman McClure and Subcommittee Members:

The elected commissioners I represent have authorized me to express our concern regarding the Urban Forestry Funding provided in the USDA Forest Service 1985 budget.

We feel the USDA Forest Service budget item for Urban Forestry should be restored at least to its 1979 level of $3.6 million.

The citizens of our community have gone a long way to provide themselves with urban forestry services through their urban forestry program. In 1980 they approved by an 82 percent margin a local property tax levy (six dollars per capita) to fund their program. The accomplishments of the program have been many (including the control of Dutch Elm Disease). However, there are things that we need but can't handle on the local level.

We need research performed in the areas of tree improvement, pest control, technological development and other areas to help improve our urban forest. In general, we need to develop through research tree hybrids that will tolerate urban growing conditions so that minimal tree maintenance is necessary to adorn our urban environment with shade, shelter, and beauty.

Previously, the benefits of federal money for urban forestry have reached the public through private enterprise and municipal forestry services. Hopefully, this will continue with your help. Consumers and commercial nurseries benefit greatly when the public becomes knowledgeable and optimistic about planting their environment with plant life.

Federal programs directed to facilitate the urban forest through research etc., create many indirect benefits. Business districts in cities beautified have turned run-down slum sections into viable business concerns. The sociological and psychological effects on the urban population of trees being used to soften harsh building materials have been well documented.

For these reasons we urge you to approve the USDA Forest Service Urban Forestry budget request.

Thank you for considering our letter.

Sincerely,

Gary Malm

Gary Malm
President
Grand Forks Park District

Statement of Donald Willeke, Chairman, Legislative Committee, National Urban Forest Council

My name is Donald Willeke. I am Legislative Committee Chairman for the National Urban Forest Council. I would like to recommend a $3.6 million funding level for the urban forestry line item of the USDA Forest Service budget.

The National Urban Forest Council is made up of urban forestry leaders from all parts of the country. The Council was founded under the auspices of the American Forestry Association, and distributes a newsletter to 6,000 urban forestry enthusiasts.

I am entering this testimony today because of the Council's concern for the nation's urban forest resource. Although the Forest Service funds allocated to meet the needs of urban forestry through a technical assistance and research program have been minimal, the accomplishments of these programs have been significant. As we entered the '80s, the funding level for urban forestry technical assistance was $3.6 million, and urban forestry research was funded at approximately $1.5 million. Rather than allowing these efforts to develop and meet the needs of the thousands of communities across the country, the program has been under a constant threat of losing funds entirely.

The nation's urban forest is a national concern. Nearly 80% of all Americans live in metropolitan areas and the vegetation in and around our cities plays a significant role in the quality of their lives. The trees, shrubs, and green spaces of a community affect the physical environment by moderating climatic extremes (which saves energy too), reducing air pollution, screening unpleasant views, and reducing noise. Trees and other vegetation are also important for storm water management, erosion control, wildlife, and recreation. The list goes on, but the point is that the urban forest should be recognized as a vital part of the community -- environmentally, aesthetically, economically, and socially.

The urban forestry technical assistance programs, through State and Private Forestry, have supplied timely and valuable information to thousands of communities. The programs have provided an important link to the many professional disciplines involved in different elements of the urban forest. It allows foresters to start management of the urban forest in many towns while the community is young and management efforts are most successful: often before community governments have developed their own programs and before the existing natural resources have been damaged by construction or various uninformed or poorly advised city agencies. This assistance not only saves the lives of many urban trees, but also saves a community a considerable amount of long-term maintenance funds. Towns and communities have a substantial investment in urban vegetation, and this investment is growing every year. However, as the trees are growing (accruing benefits and economic value for the community), so are maintenance costs. Unmanaged and unmaintained, these maintenance problems grow expensive and hazardous.

Without these urban forestry assistance monies, thousands of communities will not have a chance to start tree management programs. It is common today for larger cities that have started programs to spend the majority of their budget on tree removal. At least half of the larger cities in the country operate tree programs by responding only to crises. Through the Forest Service program, hundreds of communities have started management programs. These communities are forming tree boards, generating volunteer efforts, taking inventories of existing resources and starting systematic management efforts.

In Somerset, Maryland, a tree inventory discovered correctable tree health problems on the large pin oaks that dominated the community landscape. The city took action to correct this problem before a costly insect or disease problem found the trees. The value of the trees in this one small community of a few thousand people was $1.586 million, the same amount as the entire 1984 federal budget for urban forestry.

The national urban forestry movement requires research efforts as well as technical assistance. The existing efforts of the Forest Service include six projects: research on urban vegetative systems; recreation resources; urban wildlife; planning; physical environment; and management of Southeastern urban forests. These projects have universal value to cities of all sizes and all parts of the country.

Under the Administration's proposed budget, all Forest Service Urban Forestry research efforts would be reduced. Urban wildlife work at Amherst, Massachusetts would be terminated. Present funding at each unit doing urban forestry research is already strained. Little money is available to the units for research since a certain base funding is needed to operate the office and pay the scientists. Last year's cuts eliminated all the field work on protection and selection of urban vegetation in the Southeast, and this trend continues.

We are a long way from the program plans of 1978 when the document entitled "Research and Development Program for Urban Forestry" was printed. It reported that one-hundred and fifty-seven (157) scientists were to be employed on the important projects identified in the report, yet, today the Forest Service employs only twelve people.

The appropriations for Urban and Community Forestry programs, although small in terms of dollars, have proven to be a wise investment. About 3,500 communities received technical assistance last year. This assistance helps protect the existing urban forest resources as well as supplying the frame work for long term management efforts. This program has also helped generate a large volunteer movement around the country. Both technical assistance and research funds are needed. The National Urban Forest Council recommends minimum funding levels at $3.6 million for the Urban Forestry State and Private Forestry line item and $1.5 million for urban forestry research. (Urban forest research is part of the Forest Service's Forest Recreation budget and is not a separate line item.) This would bring appropriations back to their 1979 levels.

Futhermore, the Council recognizes the importance of other line items in the State and Private Forestry budget. Over half of the forest land in the country is owned by private individuals, and about 80% of these people live in urban areas. We find the Administration's policy of slashing the funding for these programs unacceptable. We find their policy of shifting what little funds are available to state and private forestry activities to projects that affect the national estate more than state or private areas deplorable. The Forest Management and Utilization budget should be about $25 million. If other line items besides urban forestry are cut in the Forest Management & Utilization part of the Budget, urban foresty work will suffer as well.

Thank you for this opportunity to submit this statement for the record to the Senate Appropriations Committee Subcommittee on Interior and Related Agencies.

STATEMENT OF SUE SWORDEN, EXECUTIVE DIRECTOR, MICHIGAN FOREST ASSOCIATION

Proposed cuts and elimination of USFS State & Private Forestry grants to state forestry programs concern me greatly.

The State of Michigan has been hard hit with economic difficulties. A key to turning the economy around is through diversification of our industries. On December 14, 1983, Governor Blanchard announced his "Forest Products Target Industry Development Plan" as one of three targeted industries in the overall economic development plan for Michigan.

The forest industry is a very labor intensive industry. Nationally, Michigan ranks fifth in commercial forestland acreage, thus providing ample opportunity for expanding the forest industry and providing a very significant number of new jobs.

Of key importance in the scheme of the plan is the role of the non-industrial private forest landowners who control 54% of Michigan's forest resource base. On the national level this figure is 60%. A very low percentage of these landowners are doing anything on their property that would lead to timber harvesting and supply of raw materials for the market. These materials must be made available if forest industrial development is to be successful.

Michigan Forest Association membership surveys show that lack of technical assistance, forestry knowledge and adequate incentives are the reasons private landowners are hesitant in initiating management work.

Michigan lawmakers, state agencies and forest organizations are making an all-out effort at promoting management activities on private land, but are hampered by inadequate state funds. The state grants and technical assistance provided through the USFS State and Private Forestry programs are critical in assisting Michigan with their intent to become economically stable.

The need to protect our forestlands from fire, insect and disease is necessary. Also critical are cooperative forest management programs to provide the technical assistance, forestry education and incentives for private forest landowner contributions. Work with wood product utilization will promote the most efficient and effective use of the existing resource base, as well as create new business and assist existing industries as new utilizations methods are discovered.

Programs for seed production and tree improvement will provide better quality forests for the future to insure a strong resource base for a strong on-going future of forest industry.

Since the highest concentration of people are found in urban settings, the urban forestry programs show highly visible results in reforestation along urban streets and in parks, and control of diseased and dying tree maintenance. From the recreational and aesthetic viewpoint alone, these programs are important to quality of life for those living in urban areas.

Michigan could not have gotten as far as we have without federal funding and technical assistance to develop our state-wide resource plan. It is the foundation for all that follows.

The idea of states shouldering the entire burden of forestry programs which benefit the state specifically isn't without some merit. However, Michigan's economy does not affect only Michigan. We are working hard to be more self-sufficient, however federal assistance is important at this time in history to help us achieve a level of self-sufficiency.

Forest products originating from Michigan's resource base cross state and national boundaries, as do those from Illinois, Virginia, Maine and Washington. The importing and exporting on both national and international levels benefit everyone.

From the national perspective, forestry has been frequently overlooked and underestimated in terms of importance to both economy and quality of life. Forestlands and the products derived from them, be it raw materials for manufacturing, jobs, recreation, hunting and fishing, or purely aesthetics, affect everyone, without exception. To slash federal spending for forestry programs is to de-emphasis and ignore this fact.

I implore your committee to support strong federal levels for USFS State & Private Forestry budgets and repel any attempts at reduction and/or elimination of such funding.

Should you have any questions, or would like to discuss this in greater length, please don't hesitate to contact me.

STATEMENT OF BERNARD S. LEE, PRESIDENT, INSTITUTE OF GAS TECHNOLOGY

This testimony pertains to FY'85 Department of Energy's non-nuclear R&D appropriations. IGT supports the gas industry recommendation for $150 million for gas-related R&D. This total comprises:

- **$54 million for gasification**
- **$31 million for unconventional and geopressured resources.**
- **$20 million for biomass.**
- **$20 million for fuel cells.**
- **$22 million for conservation.**
- **$3 million for LNG safety.**

Mr. Chairman and Members of the Subcommittee:

My name is Bernard S. Lee. I am President of IGT, a not-for-profit energy R&D organization in Chicago.

America urgently needs a mature energy policy to provide long-term stability and security in energy. However, in today's fast-paced microchip world in which innovations and obsolescence are measured in years rather than decades, we tend to apply the same criteria of quick turnovers to all national needs. That would be a mistake in the energy field. Energy policies must be established with long-term stability and security as top priority, paying special attention to the available and accessible energy sources, both in the U.S. and in specific geographic locations in the world.

From a world perspective, we should focus our attention on the steady growth in population, especially in developing countries. Nations that historically have existed on extremely low per capita energy consumption represent sources of explosive energy demand as they respond to internal pressures for even a modest improvement in living standards. It is pointless to expect those nations that have substantial energy resources and large populations to become significant energy exporters because their rising domestic demands will soon require all their supplies. For nations without substantial energy resources, growing populations will exert enormous pressure on the distribution of available world energy resources.

A mature energy policy must have three elements. First, there must be balance. Balance between providing adequate energy supply and conserving energy resources through high efficiency in utililization. Also balance within the energy supply sources between nuclear and fossil. In the past, we oversold the nuclear option. We put disproportionate emphasis on nuclear R&D while we undersold and neglected fossil fuel and renewable energy resources to the point where our largest indigenous energy resource, coal, is grossly under-utilized. This unbalanced energy mix must be eliminated before we can expect long-term stability.

Second, a mature energy policy must preserve the environment. Acid rain has become a national and international issue. The fundamental way to solve acid rain is to, first, remove all the sulfur and nitrogen from the coal by gasification and gas cleanup and then burn this clean fuel gas in advanced efficient combustion equipment. Cogeneration, combined cycle or fuel cell power generation, substitute natural gas, chemical synthesis are all examples of combining coal gasification with efficient utilization. Stop-gap measures that don't eliminate the root causes of acid rain cannot succeed.

Third, a mature energy policy must provide continuity and sustained support for technology development. Excluding nuclear R&D funding, among 19 member nations of the International Energy Agency, America ranks 11th in the ratio of government expenditures on energy R&D to gross domestic product, and 16th in the ratio of R&D to primary energy demand. Federal R&D funding today stresses long-range, high-risk technologies, carrying technology development only through the proof-of-concept stage, leaving the key process development commercial demonstration stages to the private sector. But there is no way that the private sector can do this since these stages are the highest risk and most costly links in the overall chain and require a time span of 10 or more years. While we wait for action, world energy supplies will very likely experience disruptions in less than 10 years and we, as a nation, will be caught unprepared. That risk is far greater and will cost the nation far more than getting ourselves prepared through the implementation of a mature energy policy.

For FY'85, I support the gas industry recommendations for $150 million in DOE appropriations for gas-related R&D. Specific recommendations for programs within this total are detailed in Attachment 1 of this testimony. I will highlight a few areas below.

Gasification

Of the $54 million gasification program recommended by the gas industry, in coal gasification IGT emphasizes two categories. Toward bringing advanced technology closer to commercial application, IGT recommends $6 million for a test program using the currently operating process research unit to extend the U-GAS ash agglomerating fluidized bed gasification technique to 500 psi on all types of U.S. coals. We must expand our data base to include basic process understanding of the gasification kinetics, trace component formation, and ash characteristics as these are influenced by pressures in the 500 psi range. IGT will bring significant contributions to this project by providing the use of its own 500-psi, 8-inch-diameter Process Research Unit and many other related equipment and facilities, and anticipates substantial funding by the Gas Research Institute with DOE to carry out this program. Toward developing a broad technology base, $10 million is recommended for research on fluidization, gasification mechanisms, ash chemistry, gas cleanup, and transfer of R&D results.

All current retorting technologies for oil shale discard potentially leachable residues and/unretorted shale fines. IGT recommends $1 million to operate existing facilities for gasifying and agglomerating shale residues to recover the carbon value and to produce environmentally benign, non-leachable spent shale agglomerates for disposal.

Unconventional and Geopressured Resources

This $31 million program supported by the gas industry covers research in tight sands, Devonian shale, geopressured methane, deep source methane, gas hydrates, and methane from coal seams, all of which require intensive development before these tremendous energy resources can be utilized efficiently. In particular, we highlight a $1 million recommendation to expand the use of an existing computer-operated rock analysis laboratory (CORAL) to accurately determine the rock permeability and porosity properties of Devonian shale, and $1.5 million to continue analysis of the western tight sands multi-well experiment cores in CORAL and to augment core analyses in the experimental tight rock analysis (EXTRA) equipment used to study two-phase flow in rock pores. In the geopressured methane area, IGT recommends $5 million for the collection of definitive data from the existing design wells and $1 million for adapting existing laboratory equipment to measure critical gas saturation and relative permeabilities to gas and brine.

Biomass

The $20 million program supported by the gas industry includes R&D in the thermochemical and biological conversion of biomass, the conversion of wastes, the growth and harvest of biomass and the support of regional programs. In biomass conversion, we highlight a $1 million recommendation to expand the data base of the RENUGAS process in an existing pressurized process research unit that converts biomass thermochemically to medium-Btu gas fuel or to synthesis gas. Under biological conversion, we recommend $1 million to study the first known inoculum which can gasify untreated woody biomass to produce useful fuel gas and $1 million to establish digester performance of giant brown kelp in a process research unit.

In waste conversion, we recommend $1 million to construct and operate an on-site process research unit for the two-phase digestion of municipal sewage using a novel up-flow solids digester which has produced twice as much methane per unit of waste than heretofore possible, and $0.5 million to conduct tests on an existing landfill for producing gaseous fuels through a two-phase leachate recycle process.

Fuel Cells

The $20 million fuel cell program supported by the gas industry includes first-generation phosphoric acid fuel cells, second-generation molten carbonate fuel cells, and other advanced concepts. Of these, the molten carbonate fuel cell has potentially the best combination of performance, efficiency, and cost to capture major portions of power generation and co-generation applications. This system lends itself to the use of coal through gasification or natural gas through internal reforming within the fuel cell. A multi-year program with FY'85 funding of $6 million is recommended to expand the technology base of the molten carbonate system by using existing facilities for evaluating components, testing prototype endurance, measuring effect of contaminants, and preparing electrolytes in a controlled environment.

Conservation

The $22 million program recommended by the gas industry covers mmany areas. We highlight, under building and community systems, a $1 million recommendation to develop an indoor air quality model based on an existing comprehensive air infiltration model, and $2 million to develop an advanced desiccant system for residential environmental control with coefficient of performance up to 50% higher than conventional air conditioning systems.

Under industrial conservation, we highlight a $3 million recommendation to test, in a sub-scale facility, the thermochemical recuperation of high-temperature heat from industrial furnaces into both combustion air and fuel, and $2 million to develop a high-efficiency cyclonic melter which has broad applications in glass manufacture and mineral ore processing.

Hydrogen research through thermochemical or thermoelectrochemical cycles using nuclear fusion, fission or solar energy as a high temperature heat source is recommended in a $3 million program, of which $1 million is assigned to evaluating three promising hybrid hydrogen cycles based on copper, zinc, and cadmium chemistry.

Thank you for the opportunity to present my views.

STATEMENT OF THE AMERICAN INSTITUTE OF ARCHITECTS

The AIA appreciates the opportunity to offer testimony on FY 1985 energy conservation budget issues relating to the Department of Energy (DOE).

Our testimony will focus on four major aspects of the DOE conservation budget-- whole buildings research, technology transfer, research utilization, and the schools and hospitals conservation grants program.

The AIA has a long-standing record of support for energy conservation and a special commitment to energy efficiency in buildings. We believe that energy conservation constitutes a significant and inexpensive source of energy.

As an organization, the AIA has supported conservation with specific actions. For a decade, we have promoted the economic and environmental benefits of minimizing energy consumption through the use of cost-effective energy design strategies. We have spent almost $2 million on an energy education program-- Energy in Architecture-- a workshop series that increases the proficiency of our members' energy design skills. Over 3700 design professionals have attended these workshops. We also have published, at a cost of $240,000, a desk-top reference series of 12 energy monographs covering such topics as daylighting, building envelopes, shading devices, glazing techniques, and photovoltaic applications for buildings. AIA's expenditures in educating architects about energy-conscious building design total $3.5 million.

Even though oil prices have stabilized, as the world experiences an oil glut and as OPEC's firm control on world oil markets has been shaken, we must not be lulled into thinking that no energy shortage exists. The supply of fossil fuels is finite and continues to deplete. Alternate fuel sources can only fill part of the gap between long-term need and longterm supply. And the security of our supply, which comes in large measure from foreign sources, is easily disrupted. Thus, energy conservation remains our only sure means of energy use reduction, and must continue to be a basis of national energy policy. The federal government must play a central role in supporting and encouraging conservation efforts where private action is not feasible or effective. These efforts should include not only direct measures to bring about energy savings, but also research into ways to increase the amount of energy that these measures can save.

Significant reductions in energy use can be found in buildings. The building sector accounts for about 37 percent of the nation's energy consumption, and about 40 percent of that is attributable to non-residential buildings. Our experience indicates that today's designs for non-residential buildings can make them much more energy efficient than the designs of five years ago. DOE's own research has confirmed this, demonstrating that energy use can be cut by as much as 40 percent when every aspect of a building's design is examined for energy implications.

The greatest amount of energy savings can, of course, be achieved during the design phase of a building's development. before components are fixed in place. Architects and engineers must have information on energy savings options while they are still determining the size, shape, orientation, and internal configuration of the building.

The AIA believes that the best information is obtained as a result of research into buildings as a whole, with reduced emphasis on their components in isolation. The number one energy priority for the AIA is, in fact, adequate funding for whole building systems interaction. We strongly oppose DOE's recommendations to eliminate building system interactions from the budget. This program received $2.6 million in FY 1983 and $1.5 million in FY 1984. If the Administration has its way, it would receive no funding at all in FY 1985. Instead of whole buildings research, DOE plans to focus its research on individual building components. We believe that this approach is short-sighted, duplicative of private sector efforts, and decidedly unhelpful.

Buildings, after all, are not just windows, doors, heating systems, and lighting existing in isolation. Rather they are dynamic, complex systems with a great many individual elements working together. Only sophisticated systems analysis that relates one building component to another and that measures the performance of each component in the context of the building's entire performance can provide us with the energy-saving information that will really make a difference.

The AIA does not believe that the federal government should undertake those activities that private enterprise can successfully accomplish on its own. In the area of buildings and component research, a significant amount of private research is already underway on individual building features, much of it supported by private manufacturers. Whole buildings research is expensive. A thorough analysis of just one building type costs between $500,000 and $700,000. This is beyond the capacity of private entities such as architects and developers seeking energy saving information for their particular projects, and also outside the immediate interests of private materials manufacturers whose research efforts are directed toward their own products.

Instead of the termination of funding requested by DOE, we urge $3.5 million for whole buildings research as the best means of accomplishing energy conservation through building designs. The funds would go largely to expand the number of building types that can be examined. There are at least seventeen different building types of which only one has been studied. We should move quickly to the study of multi-family residential apartments, office buildings, and warehouses because of their special potential for energy savings through design. Funding should also go for a review of current architectural practices and techniques since it has been five years since they were last studied. In addition, we recommend that whole buildings research look into the effects of building occupancy on energy consumption.

Whole buildings research is an important research planning tool. Such research studies a building type without preconceived ideas about how to solve the energy consumption problems. It can identify which building components need further study, and can, therefore, improve the assessment of individual components. We are deeply concerned that current research projects in DOE are too often chosen without a sound informed basis for doing so.

Technology transfer is another important AIA concern. DOE is planning to spend $4.5 million to support three program areas--transfer of DOE and International Energy Agency research results to the private sector, establishment of an Energy Efficient Building Center and establishment of a fellowship program. While the AIA supports the amount requested we oppose the manner in which the funds are to be allocated. We do not believe that the DOE recommendations will effectively meet the objective of this program activity, which is to ensure that research results are communicated to user groups such as industry groups, private organizations, state and local jurisdictions, the financial community, and utilities. The Administration proposal will in fact diminish the extent to which this target audience can be reached. We have serious doubts that the building community will use an energy center, and we cannot see the justification for an expenditure of $2 million for 50 fellowships at $40,000 each.

Instead, we believe that the funding should be used to work with organizations and associations, provide consumer information, educate the financial community about the benefits of energy conservation, and to conduct workshops and training sessions for state and local government agencies.

The results of building systems research must continue to be directed to architects, engineers and homebuilders. Results should be packaged in forms that these groups can use in their daily practice. Products from research should include software packages, workshops on daylighting and lighting, articles for trade and professional journals, studies of regional architecture, and handbooks. In FY 1985, DOE plans to spend three percent of its $12 million buildings system budget on this activity, which contrasts sharply with the $1 million appropriated in each of FY 1983 and 1984. The AIA proposes that $2.8 million instead of $.3 million be appropriated for FY 1985.

The Schools and hospitals conservation grants program provides funds for audits and energy retrofits of public and non-profit schools and hospitals. DOE has requested $48 million, the same as appropriated for FY 1984. This amount contrasts with the $98 million provided in FY 1983.

While the President's recommendation indicates acceptance of the program, in contrast to last year, when termination of the program was requested, it should be pointed out that the funding is expected to come from the proposed Petroleum Overcharge Restitution Fund. In our view, this recommendation would hold the conservation grants program hostage to the fate of the overcharge fund, which will pass or fail for reasons of its own. The conservation grants program should not be tied to any other funding source, especially an unrelated program, but should receive its money from general revenues.

It is true that the budget request specifies that if the overcharge fund is insufficient to fund the conservation grant program in its entirety, then money should be drawn form general revenues. However, in light of the fact that the overcharge fund is on a completely different legislative track and is not connected to the conservation grant program, the AIA recommends that general fund appropriations be made, with overcharge fund receipts used as an offset, should that program pass.

Attached please find a more detailed listing of how the AIA's energy conservation research recommendations compare with those of DOE for FY 1985.

STATEMENT OF WILLIAM H. PODOLNY, VICE PRESIDENT AND GENERAL MANAGER, FUEL CELL OPERATIONS, POWER SYSTEMS DIVISION, UNITED TECHNOLOGIES CORP.

United Technologies has established and confirmed the viability of phosphoric acid fuel cell power plants operating on an electric utility grid at the multi-megawatt level. Using traditional fuels such as natural gas and distillate oil, the 4.5 Mw system has achieved the remarkable fuel utilization rate of 9300 btu's per kilowatt hour of power generated. The experience also confirmed the system's extraordinarily minimal pollution characteristics and the power plant's ease and acceptance for siting in the most difficult and constrained locations. At 1/100 of that scale, i.e., 40 kW, several power plants are operating at a variety of sites throughout the country. These completely automatic power plants have achieved 40 percent electrical generating efficiency, with an additional 40 percent efficiency recovered as thermal energy for the individual sites.

The ability to operate similar equipment on coal-derived gas is neither operationally nor technically limited. The fundamental issue that remains to be resolved is the cost and performance associated with the gasification of coal.

United Technologies is presently engaged in formulating a major program to deploy large-scale fuel cell power plants with a major investment by utilities in the United States and overseas. We are completing the details of a joint venture that will deploy 250-300 Mw of fuel cell capacity across the United States by 1990. All of the machines developed under this program can incorporate the capacity to operate on gas from coal. If the equipment produced under this program were configured in stations of 30, 50, or 80 Mw, it would be compatible with the type of gasifiers now being used at existing sites and planned for future demonstration sites. In that context, the overall performance of either an integrated gasifier/fuel cell system or a disconnected gasifier/fuel cell system can equal or exceed the performance of any other state-of-the-art or near term integrated or disconnected electric generation process based on gasified coal.

During the four to five years of development that precede the deployment of these multi-megawatt fuel cell power plants, we estimate that improvements in phosphoric acid technology will allow a 5 to 7 percent improvement in performance. In addition, we expect installed cost to decline between 30 to 40 percent in that same time period. At that level of cost and performance, a phosphoric acid fuel cell power plant coupled with a gasifier would be very competitive in cost with any alternative system. It would be environmentally superior to any other coal-based system. Finally, it would be an important part of the solution to the issues of coal transportaton, distributon, and handling that arise in most site-specific proposals.

The installation of central gasification sites, together with a limited gas distribution system, and fuel cell power plants at the point of utilization provides an optimum solution to the provisioning of energy from coal. Such a system provides the most cost effective, most efficient, and most environmentally acceptable method of providing energy from coal for a variety of end uses.

The proper approach for an engineering and development program for a gasifier/fuel cell power plant is not a singular demonstration event; rather, it is an on-going, working power system at a utility site to develop and refine a coal gasifier/fuel cell electric generating system.

The ultimate beneficiary of these efforts is the nation at large. Our recommendation can meet the worthwhile objective of highest availability and lowest cost energy service utilizing a domestic fuel resource with maximum conservation and minimal environmental impact. Modular and dispersed power generation which reduces planning uncertainty and construction lead time conserves scarce capital resources. As we strive to achieve commercialization as expeditiously as possible, we are convinced that the fuel cell is becoming more and more valuable to society as an extraordinary, cost effective technology to provide energy service.

The balance of this testimony examines the fuel cell power plant technology program in the Department of Energy budget proposed for FY 1985. The ability to move forward and take advantage of the benefits of a fuel cell coupled with a coal gasifier is dependent on an adequate federal technology program that complements the major venture being undertaken by the private sector.

The proposed Department of Energy fuel cell budget threatens to compromise the only viable effort to make fuel cells a commercial reality. Unlike other potential fuel cell manufacturers, United Technologies has demonstrated its ability to produce, design, fabricate, install and operate a number of fuel cell power plants. The promises of others to improve efficiency, reduce cost, or increase durability are not supported by any performance data from full scale components let alone complete power plants operating in the field.

An appropriate level of funding for phosphoric acid fuel cell power plant technology development at United Technologies in FY1985 is $18 million. This includes $12 million for the United Technologies electric utility multi megawatt water cooled technology programs, including fabrication and testing of experimental configurations of major components and subsystems: the reformer; the inverter; the stack; the control system; the thermal management system; and, the water treatment system. This also includes $6 million for the United Technologies gas industry multi kilowatt on-site technology development program.

The advanced research and technology development budget should include an additional $4 million for continuation of the United Technologies investigaton of phosphoric acid advanced technology. Molten Carbonate fuel cell activities at United Technologies should be funded at $5.5 million in FY85. The United Technologies program is the only one to have operated multi-cell stacks and identified potential solutions to the significant technical issues that have been defined.

The 4.8 Mw programs have become a bench mark of fuel cell viability for the electric utility industry. In order to assure the continued commitment of the utility industry to bear the major risks in bringing commercial fuel cell power plants into service, we believe that it is critical that the industry have this operating power plant available during the development period as a means of providing critical operational and durability information. A decision to refurbish and modernize, where feasible, the New York City power plant would provide extended reliability, performance and endurance testing that is necessary. A program funded at $5.5 to $6.5 million per year would provide that critical data and experience from an operating fuel cell system.

United Technologies is persuing a path of fuel cell commercialization that calls on the private sector, including utilities and the manufacturer, to make a several hundred million dollar investment in prototype and semi-production fuel cell power plants during the next several years. Parties to this private-sector venture cannot be asked to accept financial and technical risks that go beyond the limits of prudent business practice. For the manufacturer and potential customers to accept these risks, a broad-band federal technology program is essential. It is time to focus federal resources on that program that has a high probability of success in acheiving commercial service. That fuel cell program which has a solid record of technical performance and an unbroken history of commitment to commercialization deserves first claim on federal resources.

Statement of Bruce L. Christensen, President, National Association of Public Television Stations

This nation's public television stations strongly support a growing federal commitment to the National Endowments for the Arts and Humanities. We are grateful to the Subcommittee for its continuing support and encourage you to maintain their essential role in our democratic society through appropriations levels at the maximum feasible level. Funds for public television production and program development are part of the Endowments' allocations to media. We also seek the maximum feasible allocations to the media allocations of both Endowments.

As this Subcommittee is well aware, the modest federal support for the Endowments has done far more than promote a growing appreciation of our rich cultural heritage and a flourishing of our emerging creative talent, important as those contributions are. It has been the seed money for garnering citizen and corporate support far exceeding the original investment. In partnership with public television stations, this effect is increased many times again so that these programs are among the most cost-effective investments of the federal government.

Public television programming can extend the reach and value of the Endowments' funding by providing a large audience, economically and effectively. For example, the average audience for a single program on KENNEDY CENTER TONIGHT is 5.5 million viewers--nearly four times as many people as the total annual attendance of all performances in all concert halls, theaters and studios of the Kennedy Center itself, 1.5 million. In racial balance and income level, the viewers of this programming mirror the nation as a whole. A disproportionate amount of the audience is over 50 years of age and not in the work force; thus such programming frequently provides the only cultural service for our elderly, disabled, low income and unemployed Americans.

For others in the audience, the initial appeal of the programming nourishes an acquired taste, thus contributing to the growth and development of creativity in America. According to a survey in the late 70's, over 60% of the audience for the spring performance of New York's Joffrey Ballet were prompted to attend by watching DANCE IN AMERICA on public television. Opera companies across the country saw an upsurge in attendance with the airing of LIVE FROM THE MET. And from the point of view of the Met itself, this creative interdependency will be as important in the future as it has been in the past; in the words of Executive Director Anthony Bliss, "We feel that public broadcasting in the future is a fundamental element in our ability to both expand our services and maintain ourselves and survive."

Some of our newer services will build even larger future audiences. Over 700 colleges and universities across the country offer courses for credit in conjunction with local public television stations. One of those courses, HUMANITIES THROUGH THE ARTS, includes 30 programs surveying film, drama, music, literature, painting, sculpture and architecture, examining each art form from four perspectives: historical context, elements of the art, form and meaning as well as criticism and evaluation. Another course is based on the Shakespeare plays.

Moreover, the appreciation of this programming is not limited to American audiences alone. In 1979, for example, public television production entities sold 953 programs to 48 countries. And among the most successful programs sold abroad are those in which the Endowments have made a substantial investment--AMERICAN SHORT STORY, AMERICAN PLAYHOUSE and DANCE IN AMERICA.

There is no way to overemphasize the importance of this programming for our public television stations--past, present and future as well. Without the early important commitments of the Endowments to GREAT PERFORMANCES--LIVE FROM THE MET, LIVE FROM LINCOLN CENTER and DANCE IN AMERICA--it is difficult to conceive that this expensive programming could have been initiated and nurtured to the prominent position it holds today. Nationally, this series has prompted underwriting from entities ranging from the Charles E. Culpepper and Andrew W. Mellon foundations to Exxon and Texaco. During our nationwide fundraising drives, it attracts a substantial and growing base of voluntary viewer support.

In recent years, Mr. Chairman, funding from the Endowments has been especially critical to public television's ability to showcase the richness of our cultural heritage. In combination with financial commitments from the Corporation for Public Broadcasting and local public television stations, the Endowments have helped fund programs by and about minorities which are also of interest to the general public. Many of these programs were destined for two of our major consortia series--AMERICAN PLAYHOUSE and WONDERWORKS, the new weekly series for children and their families.

In the first season of AMERICAN PLAYHOUSE, for example, NEH funding of $2.8 million was vital to programs emphasizing our nation's Hispanic ("Seguin" and "The Ballad of Gregorio Cortez") and Greek ("King of America" and "My Palikari") origins. Eight million Americans watched "The Ballad of Gregorio Cortez", one of the highest rated programs in the AMERICAN PLAYHOUSE series. Last year, AMERICAN PLAYHOUSE featured "For Colored Girls Who Have Considered Suicide When the Rainbow Is Enough" which received the highest minority audience of any program distributed by the Public Broadcasting Service in the last three years. Coming next year will be an epic story of Hispanic immigrants coming to America, EL NORTE. Part of the AMERICAN PLAYHOUSE series, EL NORTE's funding comes from a shared production cost arrangement which provides for limited theatrical showing first, then general public public television showing later. It's an excellent way to make scarce dollars go further.

We are convinced that WONDERWORKS will become another major showcase for high quality programming designed to attract both a minority and a general audience. The "showpiece" program in that series is "Booker," the story of Booker T. Washington as a young man, a young man determined to learn to read despite the legal prohibitions against teaching reading to a slave. "Booker" would not have been possible without a substantial financial commitment by the National Endowment for the Humanities. Most of the remainder of the funding came from the Corporation for Public Broadcasting Program Fund's Minority Match and local public television stations.

Recent funding decisions by both Endowments promise to be just as important to our future as they have been to our past. From the National Endowment for the Arts there is a continuing commitment to both WONDERWORKS and AMERICAN PLAYHOUSE as well as the traditional support for GREAT PERFORMANCES, LIVE FROM LINCOLN CENTER, LIVE FROM THE MET and the seventh season of the INDEPENDENT DOCUMENTARY FUND, operated in cooperation with WNET-TV in New York. From the National Endowment for the Humanities, there is a production grant for a two-hour dramatization of James Baldwin's Go Tell It on the Mountain, which is destined for AMERICAN PLAYHOUSE, as well as a number of series concerning our Indian heritage--"Roanoke: Indian and English Cultural Contact in North Carolina 1584-1590" and "The 1879 Trial of Standing Bear," which helped establish the principle that Native Americans are entitled to protection under the Constitution. In addition, a scripting grant has been given for "Young Frederick Douglass," designed for children ages six to twelve and thus an obvious candidate for WONDERWORKS.

These two series are not the only beneficiaries of funding from the Humanities. HERITAGE: CIVILIZATION AND THE JEWS, a ten-part series tracing the history of the Jews within the context of world history, and THE AFRICANS, a nine-part television series on the history of Black Africa are two of many other beneficiaries. These two series will follow in the footsteps of VIETNAM as a major prime time series which will be distributed as a college credit course through the PBS Adult Learning Service.

This support from both Endowments has never been more important to public television. The deep funding cuts made in 1981 for the Corporation for Public Broadcasting--their Television Program Fund, their grants to local public television stations as well as all of their other vital services were more severe than those for virtually any other federally assisted program.

After a few years' experience operating at vastly reduced levels of federal support, we are seeing the effects of these cuts reflected in the national schedule--the last resort. First, our stations reduced their broadcast hours, cut back on staff and salary, postponed the replacement of outdated equipment and performed drastic surgery on their local program schedules.

Next year, these cuts will show up in the heart of our national schedule. Stations tried to purchase approximately the same schedule they bought last year for the 1984-85 season. But they couldn't afford it--in part because their income wasn't growing and in part because the cost of the schedule increased by $4 million. Since national underwriting remained level, stations would have had to bear the entire increase themselves--an increase of 17%. They didn't have enough money to do so. So programming had to be cut--one program from the GREAT PERFORMANCES series, 10% of the NATURE series, 22% of AMERICAN PLAYHOUSE and 50% of WONDERWORKS. Three series from last year couldn't be bought at all. And most of the rest of the schedule--from NOVA to THE MacNEIL/LEHRER NEWSHOUR to AMERICAN PLAYHOUSE could only be purchased because the producers offered a price guarantee below the cost of production. This situation cannot continue indefinitely.

With regard to programming by and for minorities, stations could not afford to purchase BLACK CHAMPIONS, a new three-part proposal from Bill Miles. This is a great tragedy. Bill Miles is one of public television's premier producers. He brought us I REMEMBER HARLEM and A DIFFERENT DRUMMER: BLACKS IN THE MILITARY. Together with BLACK CHAMPIONS these nine programs would form a trilogy chronicling black progress in America. Clearly our stations are anxious to have this program in the schedule and with the assistance of PBS, CPB and perhaps NEH, we still hope that the necessary funding can be found.

Henry Hampton of Blackside Productions is another one of public television's premier producers. PBS and CPB have made major financial commitments to the development of his EYES ON THE PRIZE, a six-part history of the civil rights movement. The original proposal was for a 13-part series suitable to be a college credit course for the PBS Adult Learning Service. But our system just can't make that financial commitment at the present time. Here, too, support from the NEH could facilitate a longer series.

Since the beginning of civilization, the arts, culture and education have been kept alive by the church, the crown, or the state. Congress, through its funding decisions concerning both the Corporation for Public Broadcasting and the National Endowments for the Arts and Humanities, has determined that our society has a responsibility to make our cultural heritage freely available to all through the unique medium of public television--which allows everyone, regardless of ability to pay or accident of locale, to appreciate the common heritage of mankind. The alternative is to reerect the barricades of privilege that public television has destroyed. We are grateful for your past support and seek the maximum feasible support for the future.

STATEMENT OF RUSSELL HAWKINS, TRIBAL CHAIRMAN, SISSETON-WAHPETON SIOUX TRIBE

Mr. Chairman, members of the Committee, thank you for the opportunity to appear before you today. My name is Russell Hawkins, Chairman of the Sisseton-Wahpeton Sioux Tribe, Lake Traverse Reservation, which is located in northeast South Dakota.

My Tribe has an enrollment of approximately 7,600 members, and of this amount, over half reside on the reservation. Our most current statistics reveal that we are at approximately 80% unemployed. Because of the high numbers of Tribal members being unemployed we are experiencing a number of social problems that include a high crime rate, chemical dependency, vandalism, juvenile delinquency, dysfunctional families, etc.

My Tribe is attempting to alleviate these problems the best we can. We have a very limited tribal income derived from leases of land and federal revenue sharing, and our income is approximately $200,000. per year. In view of our needs and problems $200,000. is a meager amount, and we desperately need the federal assistance to help us correct our problems. Our needs are listed as follows:

1. Agriculture and Land Improvement:
   Our resources include agricultural land and people. We feel strongly as a Tribe that if our non-Indian neighbors can scratch out a living from agriculture, then so can we. In the absence of factories or industry we must develop our skills in the farming and ranching business. To this end, we have developed several proposals to the Bureau of Indian Affairs requesting funding to improve tracts of tribally owned land for better productivity, to provide technical assistance in land management techniques that will employ tribal members and instill a pride in our ability to successfully compete in the agricultural market place. We are not looking to agriculture to make a dramatic impact on our unemployment or related problems, but it will certainly help in reducing unemployment.

   Accordingly, we are requesting $93,186. for an agricultural self-sufficiency project and $197,268.35 for a land improvement program.

2. Adolescent Long Term Care Facility:
   Our concern with youth is predominantly in the area of child welfare. Statistically we are finding more of our youth, victims of child abuse, neglect, abandonment, sexual abuse, and in need of supervision. Presently, our Tribe does not have juvenile detention facilities. We are utilizing foster and group care facilities for detention of offenders, until they are brought before the court. It becomes disruptive to the other youth and foster parents when we must ask them to hold such offenders. The Tribe's jail is not equipped to retain juveniles.

We have a plan to develop a tribally owned farmstead into a Youth Ranch. The Tribe will provide land for the youth for livestock, gardening, and poultry to supplement their financial requirements. This project is also an effort to diminish social problems due in part to unemployment.

This project shall require an appropriation of $90,000. to operationalize the plan.

3. Indian Health Service Appropriation Needs:
Mr. Chairman, we are also greatly concerned with health care of our people. Specifically, one of our public housing sites on the reservation is currently experiencing a severe shortage of drinking water. This site has 18 units of housing. We estimate 110 members of the Tribe reside in this project. Many of these people are small and school age children. Indian Health, the agency responsible for drilling the community wells, is aware of the problem. They have further stated that no funds are currently available to drill new wells. Caught in this same predicament are three other Indian communities and twenty-five rural home owners. There is need for $1,183,000. to meet unmet water and sanitation needs for these communities. With regard to IHS Health Services on our reservation, we have need of an add-on of $1,609,813. so as to meet unmet health needs.

4. Tribal Roads:
Our next request is in the area of Tribal Roads. For the past 10 years the Tribe has been struggling with our road problems. We have been fortunate that several of our roads have been tended to by the Bureau of Indian Affairs in last year's funding cycle.

   Our problem is still considered severe, particularly in our fifteen (15) HUD Housing projects, for low income residents. Snow removal and routine maintenance is nearly impossible because of huge concrete eruptions in the streets. Residents of our Housing projects have complained about damage to cars, accidents attributed to large pot holes, children being injured, etc. We have unsuccessfully tried to secure repair money from HUD and the BIA. We are now appealing to Congress for corrective remedy.

   Accordingly, we are requesting an appropriation of $735,000. so as to repair streets in fifteen cluster housing sites.

5. Indian Health Service Clinic:
Our last request is for a new clinic for our Indian Health Service hospital. Our people's clinic needs have been served in a 1,456 square foot trailer house, which has become highly dilapidated, owing to the fact that the clinic serves over 22,000 patients per year, and has done so since 1969. Our people need a new clinic having 23,000 square feet of space. We have been advised that $450,000. would be needed for design and development costs and $5,500,000. for construction costs for this clinic. Further an appropriation of $750,000. is needed for 25 new positions, $330,000. for contract health (inpatient) services, and $251,000. for ambulatory contract health services.

Mr. Chairman, we have included our backup materials for your review on each of our requests.

SUMMARY OF SISSETON-WAHPETON SIOUX TRIBE'S APPROPRIATION REQUESTS

ACTIVITY:	AMOUNT:	ADMINISTERING FEDERAL AGENCY:
1. Agricultural Self-Sufficiency:	$ 93,186.00	Bureau of Indian Affairs, Sisseton Agency - Agriculture
2. Land Improvement Project:	197,268.35	Bureau of Indian Affairs, Sisseton Agency - Agriculture
3. Adolescent Long Term Care Facility:	90,000.00	Bureau of Indian Affairs Sisseton Agency - Child Welfare Services
4. Water & Sanitation Services: Health Care Services:	1,183,000.00 1,609,813.00	Indian Health Service, Sisseton Service Unit
5. Tribal Road Repair For 15 Indian Communities:	735,000.00	Bureau of Indian Affairs, Sisseton Agency - Roads
6. New Clinic		Indian Health Service Sisseton Service Unit
- design and development	450,000.00	
- construction	5,500,000.00	
- 25 New Positions	750,000.00	
- Inpatient Contract Health	330,000.00	
- Ambulatory Contract Health Services	251,000.00	
TOTAL:	$11,189,267.35	

STATEMENT OF JANICE KEKAHBAH, R. N., CHAIRPERSON, ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC.

On behalf of the National Committee on Indian Health of the Association on American Indian Affairs, I am pleased to submit the following recommendations to Congress in regard to the FY 1985 budget request of the President for funding of the U.S. Indian Health Service.

Before commenting on specific items, the Association would like to point out two general aspects of the overall budget that has been presented to Congress.

First, the FY 1985 budget request cuts in half the funding for preventive health programs under the Indian Health Service. Preventive health services, currently budgeted at $61.5 million, would be reduced in the new year to $31.6 million. The impact of this is potentially devastating. It is all the sadder because it comes at a time when the Administration itself is emphasizing the importance of preventive health programs, not only as a means to provide adequate health care, but also because of its long-term cost savings. This short-sighted proposal not only could harm Indian people today, but over the long run result in a greater financial burden to the federal government.

Second, the Administration's budget request has built-in to it an anticipated total of $59.4 million in third party reimbursements ($55.4 million for Medicare and Medicaid, $4 million from "other third party sources"). Of the Medicare/Medicaid funds anticipated to be collected in FY 1985, the Administration says that $15.4 million "will be diverted to fund continued provision of current services." The Association believes that this runs contrary to federal policy that has heretofore been accepted by Democratic and Republican administrations alike. In the Indian Health Care Improvement Act (P.L. 94-437) Congress stated not once, but twice, in Title IV amending the Social Security Act, that "any payments received for services provided recipients hereunder shall not be considered in determining appropriations for the provision of health care and services to Indians."

Further the Medicare/Medicaid and private reimbursements obtained by the Administration have never come close to the amount built into its FY 1985 budget request. In FY 1983, the last fiscal year for which the Administration gives statistics, $25 million in Medicare/Medicaid funds were collected. In FY 1984, the Administration says it anticipates collecting $40 million from this source. Whichever figure is used, the Administration seems to be basing Indian health programs on a gamble that may increase Medicare/Medicaid and third-party reimbursements. Indian tribes may well wonder, as does the Association, how this can be done, especially when the budget request itself says that for FY 1984 "it would appear that there may be as much as a 10 percent reduction in collections."

The Association recommends that the Congress, in addition to the President's requested appropriation, take the following actions:

1) Restore funding for the Community Health Representative Program at not less than the FY 1984 level of $26 million.

2) Restore $2.6 million for Tribal Management Programs. The Administration should not eliminate a program which assists tribes to operate and manage their own health programs.

3) Restore $1.768 million to maintain current funding for the Health Professions Program and provide administrative support for the Indians into Medicine Program and the Masters in Public Health Program.

4) Reject the Administration's proposed programmatic decrease of $263,000 for Dental Services to prevent the loss of approximately 8,000 clinical services.

5) Increase funding for Mental Health to prevent the proposed decrease of $111,000 for this vital program.

6) Increase funding for the Alcoholism Program to $24.862 million to prevent a 1 percent reduction in program activities projected by the IHS.

7) Increase funding for Contract Care to $167.302 million to prevent a program decrease of $1.7 million which would result in a substantial reduction of services available to Indian patients. Numerous Indian tribes have complained bitterly about the inadequacy of funding for contract health care in the past few years.

8) Restore $9.0 million for Urban Health Programs.

9) Provide $87.026 million to meet identified needs for health facilities construction and planning projects; provide $12.7 million for identified needed modernization and repair projects; provide continuation funds for new health facility projects planned or initiated in FY 1984.

10) Restore funds in the amount of $1.955 million to the Sanitation Program for a total of $19.614 million; $1.086 million to the Public Health Nursing Program for a total of $11.33 million; and $821,000 to the Health Education Program for a total of $3.538 million.

11) The Association is concerned about the continuing, high prevalence of otitis media in Indian populations. The Congress appropriated funds in the 1970s to specifically address otitis media, but recent research conducted by the IHS and reported in 1983 indicates that new cases of chronic otitis media are being generated among children on the Navajo Reservation almost as frequently as 15 years ago. The Association recommends that line item funding in the amount of $1.5 million be reinstituted for otitis media and its sequelae and that the IHS be required to report each year area by area on the incidence and treatment of otitis media and disorders arising from the disease.

The Hippocratic Oath says "Do no harm." The Association hopes that this Committee and the Congress will continue to be responsive to the health-care needs of Indian tribes.

STATEMENT OF DR. DONALD F. BEHREND, VICE PRESIDENT FOR PROGRAM AFFAIRS, STATE UNIVERSITY OF NEW YORK'S COLLEGE OF ENVIRONMENTAL SCIENCE AND FORESTRY

My name is Donald Fraser Behrend. I am Vice President of the State University of New York's College of Environmental Science and Forestry. For the past 24 years I have worked in environmental and natural resources education, research and public service programs. I am here as a representative of the National Association of State Universities and Land Grant Colleges (NASULGC) to request your continued support for the U. S. Fish and Wildlife Service's (FWS) Cooperative Fish and Wildlife Research Unit Program within the Habitat Resources Sub-Appropriation of the Resources Management Appropriation. We believe that this program represents the finest possible cooperation between the federal and state governments, and the nation's state universities. It is thus a cost-effective approach to identifying and studying important problems with clear environmental and economic ramifications, and, for educating competent professionals for the environmental and natural resource fields. Accordingly, we find it puzzling and even paradoxical that support for this fine program has waned over the past few years. For the past two years and the current fiscal year, only widespread public support has restored funds for the continuance of the Cooperative Research Unit Program. The FY 85 Fish and Wildlife Service budget proposes a reduction of $1,274,000 in the program, resulting in 57 FTE positions. An accompanying statement indicates the FWS aims to "Restructure existing units to consist of 24 combined Fish and Wildlife Units and five Fishery Units (-$1,274)." While it is heartening to find the Cooperative Unit Program in the FY 85 budget, it is disturbing to see the proposed reduction of support and the unilateral proposal to combine units in what has always been a cooperative program. Accordingly, we request your support for: (1) restoring funding to the base FY 85 level of $4,929,000; (2) retaining FTE positions at the existing FY 84 level of approximately 85 positions; and (3) for mandating that a broad-based, truly cooperative approach be employed to insure a productive future for the Cooperative Research Unit Program. The last objective could be best achieved by requiring the Director, FWS to develop a long-range plan for the Unit Program which recognizes the roles and contributions of all cooperators, i.e., the FWS, state agencies, and the state universities; and which establishes clear policies and procedures for setting priorities and for providing adequate support for implementing programs. Such an effort should include a process for examining the structure of the units, while maintaining adequate support.

Restoration of funding to the requested level would permit the continued operation of a time-tested cooperative research program incorporating both the federal and state governments and the university community. The Cooperative Unit Program was begun in 1935 and currently is comprised of 49 units at 31 universities in 29 states. In 1983 these units engaged in over 720 research projects, attracting over $6,000,000 in extramural funding, i.e., above base support. About 640 graduate students are enrolled each year, with around 130 per year graduating. Over 90 percent of these graduates are employed upon graduation or go on to more advanced study. The results of Cooperative Unit research are transferred to a host of users via publications, conferences, shortcourses and workshops. During 1982 this transfer of knowledge and technology was accomplished through 426 articles and monographs, 250 technical papers and 40 workshops and shortcourses.

Even a cursory look at the range of projects being pursued across the country is impressive. In my home state, New York, the Cooperative Units are engaged in eight studies of environmental contaminants including food chains, terrestrial biocides, metal residues and acid precipitation. Other studies deal with the economically important fisheries of the Great Lakes, especially Lake Ontario. Others range from basic research in mortality and diversity to agricultural water management and conservation tillage. These and other Unit studies are clearly important, if not crucial, to a sound environmental and economic future for New York, some neighboring states, and even significant portions of Canada.

In neighboring Massachusetts Unit projects range from restoration of endangered species, e.g., the bald eagle, to assessment and restoration of anadromous fish stocks of the region. The latter project centers on the Connecticut River and includes Atlantic salmon, American shad, striped bass and river herring. This exciting project has clear economic benefits for the states of Connecticut, New Hampshire and Vermont, as well as to Massachusetts. Additionally, this project has attracted $200,000 in extramural monies and currently employs 40 people. Another northeastern state, Maine, is engaged in high priority studies of the impacts of acid rain on salmonids and aquatic invertebrates. Atlantic salmon spawning mortality and identification of U. S. stocks in the open seas fishery are also being studied. Studies are underway on mammalian predators, including a study of the impacts of forest harvesting on population levels. Research on the bald eagle is leading to a dramatic recovery, with reproduction increasing greatly since 1973.

Interestingly, extramural support for Unit research in Maine amounts to four times and eight times the FWS base support for the fishery and wildlife units, respectively.

Vigorous research in Cooperative Research Units is not unique to the northeast. In Alaska, Unit research on caribou has provided the foundation for an international caribou management program between the United States and Canada. Research on seasonal habitat use by migrating birds in the Arctic has produced information for the sensitive scheduling of oil and gas development at the least disruptive times. Units in the Pacific Northwest have joined forces to address the complex multi-state management problems with salmon and steelhead; these Units now are the focal point for technical advisement for the management of anadromous salmonid stocks. Units in the northern Rocky Mountains--Colorado, Montana, and Wyoming--are devising management strategies for mitigating the impacts of energy developments on wildlife habitats. In the Midwest, the Unit program has been at the forefront of management programming for the Mississippi Valley population of Canada geese. This effort impacts Wisconsin, Illinois, Minnesota, Indiana, Iowa, Missouri, Kentucky and Tennessee. And, in the Southeast, a Unit thrust has been directed toward evaluating and mitigating widespread perturbations of critical wetland habitats in the unique and fragile subtropical ecosystem.

Clearly, the Cooperative Research Unit Programs are not esoteric or short-sighted or site-specific. Taken together, these programs constitute a cost-effective network that addresses priority fish and wildlife problems at state, regional, national and international levels. This programmatic network cannot be maintained without strong and continuous federal support.

The Cooperative Research Unit Programs are thus one of the best bargains that the federal and state governments and state universities can strike for the future of the nation's natural resources. To endanger this time-tested effort would indeed be pennywise and pound foolish.

I can assure you that my colleagues in the state universities across the country share my concern for the Cooperative Research Unit Program. Thus, on behalf of the National Association of State Universities and Land-Grant Colleges I ask for your support for restoring adequate funding to assure the continuance of the Cooperative Fish and Wildlife Research Unit Program of the U. S. Fish and Wildlife Service.

Statement of the Nisqually Indian Tribe

Tribal Fishery Goals

Salmon have always been and still are central to the way of life of the Nisqually Indian people. Tribal members are dependent upon the salmon and steelhead returning to the river annually for their livelihood. There are few, if any, other resources for the Tribe to rely on within the reservation. The Tribe's long-range goal is to become self-sustaining once again through its fisheries resources, while sharing the benefits of the Nisqually River salmon production with virtually every other variety of fishery that takes place in western Washington.

Today, only late chum salmon and winter steelhead are still maintained naturally in the Nisqually River. The top priority for the Nisqually Tribe is to put the drainage back together. The Tribe wants to do things right; we don't want a quick fix but seek a long-range solution. Any long-range solution must consider the productive capacity of our river and maintain its strong natural runs. Our plan does this.

In recent years, the Tribe has independently waged litigative efforts to obtain necessary river flows for fish and to minimize other effects of ongoing activities that reduce the productive capacity of the Nisqually River. Although minimum flows have been established for several years this only goes part way toward revitalizing the Nisqually River. Prior intercepting fisheries continue to harvest salmon at rates too high to be sustained by natural production alone severely reducing the numbers of fish of each run still returning to the Nisqually River. Artificial production is necessary to supplement and integrate with remaining natural production and to help replace runs that have been lost to development activities.

Tribal Objectives For Clear Creek Project

The Clear Creek hatchery, as proposed by the Nisqually Tribe, will play the major role in achieving the Tribe's goals. The hatchery will produce tribal in-river harvests of 8,000 to 10,000 fall chinook, 15,000 to 20,000 coho, and 15,000 to 20,000 normal chum as well as a substantial harvest of these fish to other fisheries. The proposed production levels are consistent with current Puget Sound management strategies. No new harvest areas are proposed or necessary. Tribal harvest of its share of the stocks produced will occur in the traditional river fishing areas.

Hatchery Site Characteristics

Site on Nisqually Reservation - Located at river mile 6.1, the site lies below a bluff forming the east wall of the Nisqually River Valley on a portion of Fort Lewis within the original boundaries of the Nisqually Reservation.

Spring Water Source - The two major streams, Clear Creek and Hill Creek, are fed by numerous springs which originate along the upper margin of the bluff.

135 acres of land would be affected, although not all of it would be used by the project.

High Water Quality and Quantity - Evaluation of historic and recent flow data indicates that sufficient amounts of high-quality water are available to meet the needs of the proposed project. Usable quantity of water amounts to approximately 48 cfs.

Gravity Fed Design - Site topography characteristics offer the unique potential for a highly productive and efficient totally gravity-fed hatchery design.

South Sound Location - The site's location deep in southern Puget Sound ensures that the production originating from the proposed facility will contribute substantially to virtually every other commercial and sport fishery occuring in western Washington.

No Flood Danger - Facilities will be located in the Nisqually River floodplain, but outside of the floodway. A flood hazard evaluation concluded that the facilities will remain operational during a 100-year flood event.

Biology

Production Goals - Proposed annual production goals are 6.80 million (68,170 pounds) fall chinook, 0.63 million (31,481 pounds) coho and 3.40 million (8,472 pounds) normal timed chum salmon. Each of these stocks are currently being reared and planted at low levels in the Nisqually drainage.

Drainage Plans - These stocks and production goals have been chosen to supplement and integrate with remaining natural production and to help replace the runs which have been lost to development activities on the drainage. The use of these stocks is consistent with present Puget Sound management concepts and the history and capacity of the Nisqually River.

No Impact on Native Chum and Steelhead - Impacts to the strong indigenous naturally produced stocks of late chum and winter steelhead will be avoided with the use of the chosen hatchery stocks.

Benefit - Cost

The feasibility - level benefit - cost analysis clearly indicate that the Nisqually Fish Hatchery is an economically viable project. A conservative value (calculated using a 9% real discount rate and 1981 constant dollar values) yielded a very favorable benefit - cost ratio of 3.68:1.

Annual Catch Value

Value Projection - Projections of the value of the annual catch at full production of this facility is $3,057,800 (1980 dollars). Escapement by-products (priced conservatively at one-third of the per pound price of net caught fish) add another $131,000.00 in annual benefits.

Distribution of Benefits - Overall, the distribution of annual benefits from this facility will exceed 3.0 million dollars to Washington and Canada, or more than 15.0 million dollars to the annual economy of this region.

STOCK SURVIVAL AND CATCH DISTRIBUTION

	STOCK		
	south puget sound fall chinook	puget sound coho	kennedy creek chum
	millions of smolts		
Release Level	6.8	0.63	3.40
Survival to Catch and Escapement	1.0%	14.0%	1.0%
CATCH DISTRIBUTION:			
Washington Fisheries	33,798	58,819	28,350
Canadian Fisheries	28,696	25,843	680
Alaska Fisheries	476	-0-	-0-
Oregon Fisheries	-0-	2,469	-0-
Escapement	5,030	1,069	4,970
TOTALS	68,000	88,200	34,000

Current Hatchery Production Versus Proposed Production

Species	Current Ave. Hatchery Production (1979-1983)		Proposed Nisqually Fish Hatchery Production		Net Increase (Pounds of Production)
	No. Fish	Pounds	No. Fish	Pounds	
Fall Chinook	1.7 million	15,500	6.8 million	68,200	4.4 fold increase
Coho	0.3 million	12,500	0.63 million	31,500	2.5 fold increase
Normal Chum	0.8* million	680	3.4 million	8,500	12.5 fold increase

*(1981-1983)

Current River Harvests Versus Proposed River Harvests

Species	Current Ave. River Harvests (1979-1983)	Expected River Harvests
Fall Chinook	1,625	8,000-10,000
Coho	8,860	15,000-20,000
Normal Chum	-0-	15,000-20,000

STATEMENT OF MEL SAMPSON, CHAIRMAN, LEGISLATIVE COMMITTEE, YAKIMA INDIAN NATION

Good morning Mr. Chairman: My name is Mel Sampson and I am the Chairman of the Yakima Indian Nation's Legislative Committee. On behalf of our Tribal Council and our tribal members, I would like to thank you for providing us this opportunity to testify. With your permission I would like to address four primary areas of concern to the Yakima Indian Nation: Financial Support for our water litigation, adequate support for our fisheries program, concerns we have over BIA's Investigative Report on contract schools and the need for replacement of our Indian Health Service Outpatient clinic.

WATER LITIGATION SUPPORT: The Yakima Indian Nation has five surface streams that traverse, arise on or border the Yakima Indian Reservation. These five streams provide lifeblood to the economic and subsistence base of the Yakima Indian Nation. The waters of these streams have been reserved for the use of the Yakima Indian Nation and are vital to the Yakima Indian fisheries and extensive irrigation within the Yakima Indian Reservation.

The Yakima Indian Nation's rights to one of the streams (Ahtanum Creek) has been judicially determined. The largest stream (Yakima River) has been the subject of a consent decree that did not ascertain the rights of the Yakima Indian Nation to waters within said stream.

The state of Washington has brought an action in state court for the adjudication of the surface waters from this river and its tributaries. They have served the United States and the United States has filed claims on behalf of the Yakima Indian Nation, the Forest Service and the Bureau of Reclamation.

Throughout this century the interests of the Yakima Indian Nation and the Bureau of Reclamation have been diverse and contentious.

The Yakima Indian Nation, because of discriminatory treatment by the state of Washington and its judiciary which has been judicially noted by the federal courts, is reluctant to have its reserved water rights determined by this same state judiciary and the state of Washington. This is particularly true since the state of Washington adjudication procedure provides that after filing and service for determination by an administrative official of the same department that commenced adjudication proceedings. Relations between the Yakima Indian Nation and this department have been adverse and contentious.

The Yakima Indian Nation was likewise concerned about the conflicts of interest that exist within the federal government and particularly in the Department of Interior and with the Bureau of Reclamation. Our contact with the Solicitor of the Department verified our fears that the United States could not in the fact of these conflicts adequately protect the Yakima Indian Nation's treaty reserved water rights in the Yakima Basin.

Under existing law in 1982-83, we believed that we could remain out of the adjudication proceedings and that the proceedings would not bind the Yakima Indian Nation. This was particularly true in view of the conflicts of interest and that the Washington Enabling Act and Constitution had disclaimed state jurisdiction over these lands and water interests.

However, in 1983 the Supreme Court did in a series of cases indicate that neither the disclaimer provision or the existing conflict of interests by the United States would prevent the adjudication in these proceedings from binding the Yakima Indian Nation and its water rights.

We now must intervene in these adjudication proceedings to protect our water rights. We need to intervene or take other action to determine whether these state actions are of such a judicial character as to fit within Congress' permission in the McCarran Amendment to determine federal rights.

We do not have adequate funds to so participate and protect our rights. We must look to Congress--who puts us in this position by allowing adverse state interests to determine our water rights--for assistance in this regard.

We would anticipate during FY 1985 that funds in the amount of $100,000 must be available for this purpose and we request your consideration in this regard.

FISHERIES NEEDS: The Yakima Indian Nation has Treaty secured fishing rights in the Columbia River Basin including the mainstem Columbia and Yakima and Klickitat Rivers. Our court recognized management responsibilities involves the protection and enhancement of anadromous fisheries in the Columbia River and Pacific Ocean. This management responsibility requires that we maintain a qualified technical fisheries staff.

Our fisheries program for FY '84 is funded for only $264,000 from the BIA. These funds allow us to develop fisheries management strategies for the subsistence fisheries on the Klickitat and Yakima Rivers and to collect biological data appropriate for developing these recommendations. We are also working closely with the Fish and Wildlife Service and Washington Department of Fisheries in establishing flows necessary to protect spring chinook salmon in various life history stages in the Yakima River as mandated by a 1980 federal court order. We also review several different types of environmental permits. A total of 15,000 rainbow trout are planted in high mountain lakes and low land streams on the Yakima Reservation.

We are requesting a total of $741,600 for the direct cost of our fisheries program which is $477,600 more than what is currently appropriated to us. These additional funds are necessary for management in several areas which are vital to the maintenance and rehabilitation of the salmon and steelhead resources of the northwest.

With the additional funds we will be able to develop management strategies for our gillnet, dipnet and setline fisheries on the mainstem Columbia River which currently provide substantial income to numerous members of our Tribe. This income is particularly important to tribal members, in light of the 70% unemployment on the reservation. We will collect biological data and design test fisheries appropriate for the development of sound management plans. A comprehensive inventory of existing salmonid and resident fish resources is needed on the reservation which incompasses 1.2 million acres. Many miles of watershed in the Yakima Basin need stream habitat improvements in order to rehabilitate formerly productive areas and there is currently no monitoring or assessment of logging practices in the one-half million acres of tribally owned forests. These logging practices have the clear potential of adversely affecting our fisheries.

Additional funds will allow us to have meaningful representation into the Fish and Wildlife Program of the Northwest Power Act and the Salmon and Steelhead Conservation and Enhancement Act. At this time we are not participating in the establishment of criteria for the assessment of cumulative impacts on low-head hydro projects in the Yakima Basin. Nor are we able to assess to impact on salmonid resources of the 28 low-head hydro projects for which feasibility studies are being done by private entities.

The Yakima River watershed is the largest river system in Washington State. The funds requested by the Yakima Indian Nation are less than those appropriated by Congress for much smaller reservations. These funds are absolutely necessary for the Yakima Indian Nation to carry out its management duties. We are submitting copies of our comprehensive Fisheries Resources Management proposal as an appendix. This proposal addresses our needs in detail.

CONTRACT SCHOOL STUDY: We would like to voice our concern over the impact that the United States House Appropriations Indian Education Committee Staff Investigative Report on Schools Operated Under Contract to the Bureau of Indian Affairs might have upon the continuation of support given to said schools. Although the report identified several deficits in the contracting and operation of Tribal Contract Schools that need to be remedied in the near future, there could be serious ramifications for Indian people and students should decision makers generalize the information in the report and make broad decisions regarding Indian Education and Tribal Contract Schools.

The Yakima Indian Nation takes the positions that caution be given in interpreting report findings and that the findings not be generalized to all schools operated via BIA contract, the schools- as alternatives to public education, do offer Indian students and communities a viable and necessary educational option. We are submitting a copy of our detailed response to the BIA's report for your use and information.

IHS CLINIC CONSTRUCTION REQUEST: In previous years testimony, the Yakima Nation has identified and it remains our greatest health need. The present health center structure was constructed in 1965 and has been utilized to capacity almost from the day of completion. The health center has been expanded to its limit over the years through remodeling, and the use of trailers and prefabricated buildings, but even with these additions it has long since reached its space limitations. The number of outpatient visits has increased from 19,156 in 1970 to 38,618 in 1983 (an increase of 101 per cent) without any significant increase in clinical facility space. It now ranks as the busiest, in terms of outpatient visits, of all Indian Health Service free-standing ambulatory care facilities.

The lack of space directly affects the quality of health care and ultimately the health of the Indian people within the Yakima Service Unit. For example, closets have been converted to exam rooms; Doctors must consult with patients in the hallway, compromising patient confidentiality; health records must be stored in boxes on the floor because shelf space is exhausted; the patient waiting room has been reduced to accomodate the storage of health records; critical health programs such as alcoholism and mental health are separated from the clinic, restricting access and coordination; routine dental services are delayed up to three months for lack of dental chairs; pharmacy services including patient instructions and education must be given in full view of waiting patients. Compounding the problem is the lack of staff to provide needed services, however even if the additional staff identified in the IHS Resource Requirement Methodology were provided, there is not space available to house them.

Further remodeling and additions to the existing structure are not possible because of the site location's lack of land available. The Yakima Nation has set aside adequate land for the proposed facility, relatively close to the existing clinic. It is our intention to include the present facility, a basically sound structure, within the health delivery system to house the outpatient counseling service and environmental health services.

In conclusion, I would like to express our concerns regarding the overall BIA and IHS budgets. First, while we are glad to see that the BIA is not proposing any serious dollar cuts in the Indian education area. We must point out, however, that these figures are very misleading. Inflation has taken its toll on BIA education services and even with the proposed increases in available dollars, the buying power of these programs will suffer between a 5-7% cut. We are also upset with the proposed cuts in the Indian Child Welfare Act Program, which has not been adequately funded since its inception. In 1980, the BIA participated in some 160 ICWA projects yet their current proposal calls for funding only 120 in FY 1985. We feel this is a clear statement of the BIA's lack of concern for this program and we encourage you to adequately fund both the on and off reservation segments of this important program. Also, Indirect Cost or Contract Support is a major concern to our Tribe. We definitely feel that tribes should have the right to negotiate their indirect cost rates, which as you well know, is an actual rate pursuant to the cost of operating the respective programs. These rates are justified and monitored through the federal audit process pursuant to OMB Circular A-87 and OASC-10. Furthermore, we urge that the indirect cost funds remain in a separate identifiable category within the BIA's budget. Finally, we are extremely concerned with the BIA's proposed reduction in HIP housing Appropriations. Adequate housing remains a serious priority of the Yakima Tribe and we are most concerned with the BIA proposed decrease of 175 new units and 1,275 repairs from the 1984 funding level.

On the IHS budget our concerns remain the same as they have been over the last four years: we object to the elimination of the CHR and Urban Health Programs; to the proposed cuts in Health Education and to the Indian Health Manpower programs; to the elimination of facility construction funds and we feel that the IHS proprosed income from 3rd party reimbursements is simply not obtainable.

In addition to these proposed cuts, we ask this Committee to take a serious look at the impact which inflation is having on IHS services, while the total dollars in many program areas are going up, these programs are simply not receiving an adequate enough increase to compensate for inflation.

The Yakima Indian Nation, as a charter member of the Northwest Portland Area Indian Health Board, totally supports their testimony.

Mr. Chairman, I again thank you for this opportunity to testify.

Statement of Rose Hatfield, Board Chairperson, Indian Health Council, Inc. and J. Patrick Patencio, Board Chairman, Riverside-San Bernardino County Indian Health, Inc.

The Boards of Directors of Riverside-San Bernardino County Indian Health, Inc. (hereafter RSBCIH) and Indian Health Council, Inc. (hereafter IHC) jointly submit the following testimony in re: the Indian Health Service budget and program. Appearing before the Committee today are Rose Hatfield, IHC Board Chair; Dennis Magee, IHC Program Administrator; J. Patrick Patencio, RSBCIH Board Chair; Adelaide Presley, RSBCIH Program Administrator; Robert Martin, Chairman of the Morongo Band of Mission Indians and RSBCIH Board Member; and Barbara E. Karshmer, Attorney. Both programs are tribally-controlled, Indian-administered comprehensive ambulatory care providers operating under P.L. 93-638 contracts with the Indian Health Service. Together they serve 24,000 Indians residing on or near 19 reservations in rural southern California.

Today, we are here to request (1) that the Equity Fund be continued and increased and that the Committee require the IHS base budget be reallocated to create equal care for all Indians, (2) that $1.8 million be added to the IHS budget to construct and equip additions to our facilities, (3) that funds and positions be added so that IHS may employ the health care providers being terminated by the National Health Service Corps, and (4) that the Committee delay implementation of the IHS Contract Care Task Force Report until its impacts can be fully analyzed and sufficient input can be obtained from the Indian people.

I. **EQUITY FUND.** We wish to thank the Committee for its continued support of the Equity Fund in FY81, 82, 83, and 84. It has been the vital factor in allowing us to deliver health care to the Indians in our service areas. To date, RSBCIH has received $2,724,000 of these funds but remains at an unmet need level of 74% to serve its 18,300 Indians. Similarly, IHC has received $1,360,876 in Equity Funds to serve its 5,700 Indians. When the Equity Fund first began, RSBCIH provided 31,678 patient visits per year. In contrast, RSBCIH provided 95,705 direct care patient visits, 13,816 contract care visits, 1,221 days of inpatient care, and 22,000 medical lab visits in 1983, after two years of Equity Funds. (These figures do not even reflect the FY83 Equity Funds for those funds were not received until the last month of the year.) The figures for IHC are similar in that 6,491 direct care visits were provided the year before receipt of Equity Funds and that number increased to 12,967 after two years of funding. Because of the great strides which we are making with the Equity Funds, we are finally beginning to identify and fill the health care needs of the Indians in our service areas who have been without health care since IHS withdrew its services in California in the early 1950's. However, the needs remain immense and we are just beginning to address them. Therefore, we urge that the Equity Fund be continued and increased. In addition, we request that the Committee require IHS to reallocate its base budget so that all Indians throughout the United States receive an equitable level of health care, as the U.S. Court of Appeals for the Ninth Circuit mandated in the case of Rincon Band of Mission Indians v. Harris, 618 F.2d 568 (1980). Although the Equity Fund has assisted in narrowing the disparities in funding, we believe that our programs and most of the Indians in California are substantially underfunded in contrast to any other area or state in the country. As we have testified in previous years, we do not believe that IHS is applying its standards equally throughout the country, nor is it distributing the Equity Funds in a consistent and fair manner. For example, California is not receiving any of the Equity Funds allocated for dental care, mental health, alcoholism, and preventive health. Also inequitable is that the workload data is calculated differently in California than elsewhere in the country, and that eligibility for funds is reduced by a standard percentage reflecting the percentage of Medi-Cal eligible patients in the state as a whole, not the actual number of Indians who are eligible for and receive benefits. This becomes especially unfair when one considers that not all clinics can obtain reimbursement from Medi-Cal and that eligible Indians often have no other resources available or accessible to them.

California Indians continue to suffer from IHS' unfair treatment in that all services are provided through tribally-operated clinics which are consistently denied the benefits which are provided IHS-operated facilities. For example mandatory cost increases provided by Congress are not passes on to the tribally-operated clinics as they are to IHS facilities. Last year, IHS facilities received a recurring 4.6% increase while tribal clinics in California received only a 1.6% non-recurring increase. Similarly, we are advised that IHS has arranged to assume the National Health Service Corps providers for its own facilities once the Corps terminates their funding, but IHS has not done so for the tribally-operated clinics (see part III below). Also, distribution of funds is being based on the number of individuals served and current workload data. No comparable data is available for California, so substantial inequities are being created once again.

One of the major problems with IHS' implementation of the Equity Fund is that there is a time lag of one to two years in correcting and updating the data that is used to calculate the distribution. Due to changes in the Medi-Cal program, there will be a tremendous cut in eligibility for individuals and in the rates which are paid to medical providers for services. In addition, the State of California is cutting back on virtually all of the supplemental health programs which the clinics have utilized, or it is switching to block grants which the Indian programs cannot obtain. Similarly, the senior citizens are being charged for Medi-Care which they are unable to afford, so have no health coverage; and the S.S.I. recipients cannot afford to pay the premiums for Medi-Cal so are no longer eligible. Thus, third-party sources of revenue are rapidly diminishing which will cripple our programs; however, it will take at least two years for IHS to take these immense changes into account in distributing the Equity Fund, if prior experience is a guide. Moreover, it has been our experience that IHS is unable to distribute the Funds before the last month or two of each fiscal year which creates immense problems for us in planning and operating our programs.

We urge the Committee to continue and expand the Equity Fund for, despite the problems created by IHS' handling of these funds, it has been absolutely critical to our ability to provide health care for our people. We further request that the Committee press IHS to resolve the inequities in the way it handles the Funds, so that more of the needs of our people can be met.

II. FACILITIES NEEDS. We are also appearing here today, as we have for the past several years, to request that funds be added to the IHS budget to expand our current ambulatory care facilities and operations and to accommodate our staffs, which have been significantly expanded through Equity Funds. We are concerned that IHS has no plans to construct or assist with construction of facilities in California, all of which were originally constructed by the Indian people without assistance from IHS. As our staffs grow through Equity increases, so do our space needs; but nothing is done about them. We have begun to lease mobile facilities; however, it would be far more efficient and less costly if we were allowed to either construct or purchase facilities, rather than lease them. We shall address each of our programs' facilities needs separately.

RIVERSIDE-SAN BERNARDINO COUNTY INDIAN HEALTH, INC.

Request: Facility Expansion: $1,009,000
Equipment $300,000

RSBCIH serves 18,000 Indians on and near 11 reservations in the rural/remote parts of Riverside and San Bernardino Counties. It provides ambulatory services from out-patient facilities on the Morongo Reservation, the Torres-Martinez Reservation, the Soboba Reservation, and a facility that will be opened soon on the San Manuel Reservation. A brief description of the program is attached hereto as "Exhibit A". According to an IHS report, our main facility suffers from severe over-crowding and is not accessible to the handicapped; and our tribal-specific health plan shows a need for 7,900 square feet space to accommodate our 107 employees. With these facilities funds, we would expand our current facilities on the Morongo Reservation and at Soboba and establish a 5,000 square foot facility to serve about 4,300 Indians residing in the high desert area about 135 miles from our nearest facility. We also need $300,000 for equipment to provide efficient services at these facilities.

INDIAN HEALTH COUNCIL, INC.

Request: Facility Expansion: $400,000
Equipment: $110,000

Our current 3,700 square foot facility on the Rincon Indian Reservation is the primary facility from which the Program serves the eight reservations and 5,726 Indians in rural northern San Diego County. The program also operates a satellite clinic on the Santa Ysabel Indian Reservation. A brief description of the program is attached hereto as "Exhibit B".

The main facility on the Rincon Indian Reservation is in severe need of expansion to accommodate our present staffing level. At present we are requesting funding to build and equip a 5,000 foot expansion of our Rincon facility. Although the IHS National Plan identified a need for $5.75 million for modernization of our health center and although the IHS 1980 California facility report identified a need for 6,000 additional square feet based on 1979 funding levels, we believe that it presently is most sensible and realistic to merely expand our present facility by 5,000 square feet at the cost of $400,000 with attendant equipment costs of $110,000.

III. NATIONAL HEALTH SERVICE CORPS. The National Health Service Corps is planning to discontinue its placement of its health care providers in Indian programs in 1984 and 1985. For RSBCIH, this will have a devastating effect on our ability to deliver medical care because all three of our full time physicians, three of our four dentists, and our only podiatrist are Corps placements. IHS refuses to give us the money or positions to employ these health providers who provide virtually all of our direct care services. We, therefore, request that the Committee add the positions and funds to the IHS budget to employ all the National Health Service Corps personnel who are currently assigned to tribal clinics. Otherwise, our clinic will suffer a loss of 7 key professional positions and $355,100.

IV. CONTRACT CARE TASK FORCE REPORT. We request that IHS be directed to take no action on implementing the Contract Care Task Force report until its effects can be fully analyzed and more input is obtained from the Indian people. We are most concerned about the patient registration system which IHS is attempting to institute and which it intends to use immediately to determine allocation of resources. This presents several significant problems for our clinics. We are finding that our patients are extremely reluctant to cooperate in providing the information requested and, in many instances, refuse to complete the forms. In addition, it is taking a great deal of staff time to attempt to obtain the registration information, and it is extremely costly to do so. IHS is providing us with no additional staff or funds to carry on this registration which creates a problem for the delivery of health care. It might be somewhat more simple to carry out this function if we had only one reservation to serve, but with 19 scattered reservations in our service areas, obtaining this information is nearly impossible. Moreover, we have never been given more than 25% of the funds necessary to serve our population. Therefore, we have been unable to provide care to a significant portion of the eligible patients needing services. Because future funding will be provided based only on the number of people being served at present, we will never be able to provide services to that large segment of our eligible Indian population whom we are currently unable to serve because of limited funding. Thus, there can never be any expansion of our program to reach these eligible Indians. We also object to patient registration because there has just been a complete census done and this is, in effect, a costly duplication of that census effort.

Also, we wish to voice our concern about IHS proposals to provide care only to enrolled Indians or those with ¼ degree of Indian blood. Many tribes in our service areas do not have enrollments and thus determining eligibility on the basis of enrollment would be impossible. In addition, we do not believe that it is appropriate to mandate that only those with ¼ blood be served because each tribe sets its own blood quantum and this may vary from tribe to tribe. It is simply not appropriate for the Indian Health Service to dictate that unless an Indian has ¼ blood he/she should not receive service.

V. CONCLUSION. In conclusion, the Boards of Directors of RSBCIH and IHC urge this Committee to assist us in meeting the needs of the 24,000 Indians which we serve by providing funds in FY1984 to expand and equip our existing ambulatory care facilities as well as Equity Funds to increase funding to the point where a significant portion of our needs will be met.

Thank you for your thoughtful attention to and consideration of this matter which is so vital to improving the health of the Indian people we serve.

EXHIBIT A

RIVERSIDE-SAN BERNARDINO COUNTY INDIAN HEALTH, INC.

RIVERSIDE-SAN BERNARDINO COUNTY INDIAN HEALTH, INC. was established in 1968 as a non-profit tribally controlled and managed comprehensive health program to serve the needs of the Indian populations living on or near eleven Indian Reservations in rural Riverside and San Bernardino Counties, California. The program initially began with the Morongo and Soboba Reservations as one of nine demonstration health projects with modest funding provided by the California State Department of Health. Today the P.L. 93-638 organization is comprised of nine Reservations, is incorporated as a non-profit corporation and is principally financed by Indian Health Service.

The first clinic facility utilizing a volunteer dentist was located in an abandoned 15'x15' jailhouse at the Morongo Reservation constructed about 1917. From these humble beginnings the Indian people were determined to meet the urgent health needs of the reservations and through community contributions for materials and by utilizing self-help, i.e., Indian men and women volunteers, the first 1200 square foot clinic building was built at the Morongo Reservation in 1971. Today Riverside-San Bernardino County Indian Health, Inc. has a combination of small desperately overcrowded clinic facilities and leased trailers at the Morongo Reservation; leases a 4700 square foot facility to serve the Soboba, Santa Rosa and Cahuilla Reservations; a portable 1440 square foot medical clinic serves the very remote Torres-Martinez Reservation and a 1420 square foot HUD financed facility is nearing completion on the San Manuel Reservation in San Bernardino County. A small 1200 square foot satellite HUD facility has been approved for the Pechanga Reservation and is in the plan development stage. The 1980 Census estimates the present Indian population of our 27,000 square mile service area to be 18,279. It should be noted that our two county service area encompasses the largest and fifth largest counties in the United States, respectively. This service area is one of the largest in the United States.

The original staff of two Licensed Vocational Nurses has grown to a present staff of approximately 100 persons, which includes professional staff of four full-time Dentists, three Physicians, a Nurse Practitioner, a Podiatrist, a Pharmacist, two Laboratory Technologists, three part-time Optometrists, a Psychologist, a Marriage and Family Counselor, a Social Worker, a Sanitarian, a Nutritionist, two Health Educators, five Community Health Nurses, and an array of support staff. The increased staff and services were due exclusively to the Equity Health Care appropriations.

The dramatic increase in direct services as a result of the Equity Health Care is demonstrated as follows:

	1980	1981	1982	1983
Total Patient Visits	31,678	50,799	61,076	95,705

The above figures do not include 13,793 patient visits, 1221 inpatient days or 7,364 individual patients provided Contract Health Services in 1983.

EXHIBIT B

INDIAN HEALTH COUNCIL, INC.

INDIAN HEALTH COUNCIL, INC. was incorporated in 1970 as a non-profit, Indian controlled program with the primary responsibility of providing health services to 8 Indian reservations in San Diego County. The main health center is presently housed in a 3,700 square foot medical-dental outpatient facility, that was completed in 1976 after four years of local fund raising for construction and equipment. Contributions came from civic clubs, church groups, corporate donations, special fund raisers, individuals, small foundations, schools and special benefits sponsored by the San Diego Chargers professionals football team. The U.S. military as well as local Indians donated labor and much of the material was contributed to complete the fully equipped $300,000 health center. In addition, IHC has a 1500 square foot satellite facility providing health care in a more remote area of San Diego County.

The program presently employs one (1) doctor, four (4) dentists, three (3) dental hygienists, (1) nurse practitioner and (2) R.N.'s. An Emergency Medical Service (Ambulance) operates 24 hours a day.

Due to limited funds, geographic isolation and hazardous road conditions, the health center was able to serve just a portion of the 5,764 Indians residing in this service area which the U.S. Indian Health Service has determined as the target population. Utilizing a small fraction of the actual needed funding the program managed to serve about 50% of the people who are in desperate need of adequate health care.

The Indian Health Service provides funds to employ 50 staff members who, in addition to volunteer help, provide basic ambulatory care as well as social services and transportation.

With additional space, the health program will be able to provide badly needed services in the areas of alcoholism, mental health, drug abuse, audiology, optometry, and specialty care. In addition, we will be able to provide on-site training in Indian health careers for local Indian students.

STATEMENT OF REXFORD A. RESLER, EXECUTIVE VICE PRESIDENT, AMERICAN FORESTRY ASSOCIATION

Representing the American Forestry Association, I wish to register our views on the FY 1985 Interior Appropriations for the Forest Service.

I find it necessary to express serious disagreement with the Administration's priorities. The federal government owns one-third of the landbase of the United States. It is responsible for the management of land and resources affecting every citizen of the United States. The laws of the land clearly direct that the National Forest System and the BLM lands shall be managed under a concept of multiple-use under which an optimum mix of both social and economic benefits shall be derived--not necessarily maximum returns to the federal treasury. Yet we see in this budget request a tilt towards commodity production at the expense of non-commodity values. We see the balance among resource uses reflected in the Resources Planning Act assessments and programs shifting in the direction of maximizing returns to the federal treasury under the guise of improved efficiency of management. One of the largest and most effective research institutions in the free world is gradually being dismantled through "improved management efficiencies," by budget cuts, by closing research projects, by cutting back on talented, even irreplaceable, scientists. We see the federal role changing in relation to State governments by withdrawing funds authorized under the Cooperative Forestry Act which defines the federal government's long-standing commitment and support for the protection of wild lands from fire, insect, and disease, and to cooperate in providing technical assistance to forest landowners.

All of us are deeply concerned about the magnitude of federal deficits. I conclude that our priorities are mixed up. Last year, Mr. Chairman, we spent approximately one-third the money to protect and manage one-third of the landbase of the United States and to conduct research and protection programs affecting another third as we spent on incentives for farmers not to produce surplus commodities. I conclude that our priorities are, indeed, upside down.

Summary-Fiscal 1985 Appropriation Request

The President's budget requests $2.045 billion for fiscal 1985. This apparent increase of $26 million over the 1984 appropriations level, disallowing payments to States, is a $54 million reduction in operating funds coupled with a reduction of 750 fulltime equivalents in the workforce. Equally distressing, and in my judgment harmful, is the fact that the workforce was trimmed 2,100 fulltime equivalents between 1983 and 1984, and the President proposes additional "efficiencies" by reducing the workforce by another 750 person-years. The proposed cuts in both operating funds and in manpower is excessive and ill-advised; it transfers the costs of a diminished resource base to future generations.

Research

The President's budget request for Forest Service research is $103 million, down $6 million from the 1984 appropriation act. The improved efficiencies contemplated include the elimination of 11 research work units, closing two research locations, delaying important research, and improving efficiency of program management by eliminating another 128 scientist staff-years, on top of nearly 400 positions lost the previous year. In 1982, the actual appropriation was just over $112 million; the reduction in the research program amounts to some $9 million not counting inflation. The Forest Service has terminated 25-30 research work units, closed seven research locations--the two research locations planned for closure in fiscal '85 include Sewanee, Tennessee and Columbia, Missouri.

Other research agencies in the Department of Agriculture are experiencing substantial increases in funding; we fail to see the logic of trimming forestry-related research when future shortages are clearly evident.

We recommend that the Forest Service research program be funded at a level of $120.2 million. This modest increase over the 1982 level would provide for investigations in high priority areas of old-growth wildlife habitat management, expansion of forest genetics research, urban forestry research, mined land rehabilitation work, and a continuation of the hardwood research program. Of this total, we recommend $7.2 million be allocated for a new effort in research on international trade in wood products and to accelerate the nationwide forest survey program.

State and Private Forestry

The President's budget request for fiscal 1985 for State and private forestry activities is $25.5 million, 58 percent below the 1984 appropriation. This budget level is $35 million below the fiscal 1984 appropriation level and $37.3 million below the appropriation level of 1983. This budget level essentially deauthorized the Cooperative Forestry Act of 1978.

Specifically, we recommend the following:

- o Forest Pest Management--an increase from $15.6 million in the Administration's budget request to $32.7 million. (The President's budget request of $15.6 million is exclusively for pest control activities on federal lands.)
- o Fire Protection--an increase from $3.1 million to $22.7 million.
- o Forest Management and Utilization--an increase from $3.9 million to $26.0 million.

- Special Projects (BWCA)--$3 million.
- The total of those activities for State and private forestry amounts to $84.4 million.

National Forest System

The President's budget request for National Forest System activities is $1.037 billion, a modest increase roughly equivalent to the inflation rate during the last year. On the surface, this budget request appears to be reasonable, but upon closer examination, one finds serious imbalances in both funding levels and allocation of personnel ceilings. It is the non-commodity uses, the so-called lesser resource programs, that suffer the consequences of budget neglect. Specifically, recreation use is anticipated to increase from 228 to 240 million visitor-days on the National Forest System. That expanded use is to be accommodated by a $2.2 million reduction in funds coupled with 100 man-years of reduced staffing. Protection and management of fisheries and wildlife habitat suffers a similar order of neglect, as does soil and water management, and to a lesser degree, improvement of the range condition on the National Forest System. Furthermore, the Administration includes in the receipt column an additional $25 million of revenue from recreation use based on an assumption that user fee legislation will be passed during this session of Congress.

STATEMENT OF PRESERVATION ACTION

For the fourth straight year, the President's Budget has eliminated all funding for the states and, for the third year, the National Trust. This makes little sense since both the House and Senate, responding to strong citizen support, have reinstated funding for the continuation of the federal/state partnership during each of the past three years.

The Administration has taken additional steps to dismantle the federal/-state partnership. In March, the Department of Interior published regulations which make the role of the state "optional" rather than "mandatory" in the tax certification process. Clearly, this is an attempt by the Administration to undermine funding arguments based on the states carrying out "federally mandated" activities. The change is not popularly viewed as a"streamlining" of the certification process to make it more efficient for the user. Users who now have excellent access to knowledgable state staff may find themselves dealing with NPS regional office staff "many states away". It is difficult to believe that an increase in the President's Budget of $1.292 million and 34 staff can give the same level of service to the tax program that is now being done by 50 states as an intregal part of a $21.5 million appropriation. Over 100 persons opposed the state role change in "comments" submitted during the public commenting period.

While the Administration expends its energy to abrogate the cost-effective federal/state partnership, the preservation program - due to Congressional wisdom and action - is having one of its most successful years.

* An effective partnership exists between the federal/state/local governments and private sector.
* Tax incentives attract private investment for income-producing historic rehab projects and the "jobs bill" development grants insure needed restoration of historic property not eligible for tax treatment.
* Local governments are taking steps to qualify for certification so that they may participate as full partners in the program.
* Citizens are receiving timely assistance from the states and National Trust on a wide variety of technical issues ranging from planning projects that meet the Secretary's Standards to learning the necessary steps for historic district designation.

Preservation Action requests that the following components to be included in the 1985 Interior appropriation for the NATIONAL HISTORIC PRESERVATION PROGRAM:

* **$23 MILLION TO THE STATES FOR SURVEY/PLANNING/NOMINATING/TECHNICAL ASSISTANCE AND CONFLICT AVOIDANCE ISSUES**
* **$4.5 MILLION TO THE NATIONAL TRUST FOR HISTORIC PRESERVATION**
* **$25 MILLION TO CONTINUE THE DEVELOPMENT GRANTS REINSTATED BY AN APPROPRIATION IN THE 1983 JOBS BILL FOR NATIONAL REGISTER AND LANDMARK PROPERTIES NOT ELIGIBLE FOR THE TAX INCENTIVES**
* **$1.546 MILLION FOR THE ADVISORY COUNCIL ON HISTORIC PRESERVATION**
* **$155,000 FOR US/ICOMOS**

$23 MILLION FOR THE STATES FOR SURVEY AND PLANNING

The $21.5 million "survey and planning" monies appropriated for F/Y 1984 and matched by the states, are operating effectively throughout the nation. Many significant activities are undertaken including: the systematic evaluation and organization of survey data; aid in completing the National Register process for both individual structures and historic districts; the development of resource protection plans; the administration of historic preservation grants; assistance with the processing of both parts of the tax certification; the review of federally assisted projects for compliance to federal law; the establishment of statewide revolving funds; and assistance with outreach programs through newsletters, speaker's bureaus, conferences, and publications.

The state preservation offices have increased their visibility during the past year and are highly respected for their timely and professional handling of information that may result in large scale revitalization of historic resources. Private sector investment, jobs, and return of tax base are being documented to prove that the combination of tax incentives and efficient handling of certification are a $2 billion private investment "bonanza" for the improvement of our nation's neglected urban centers.

Funding to the states has been authorized at a barebones level - no frills or fat - for three years. Knowing that all programs must contribute to economic recovery and deficit reduction, the states have creatively utilized the reduced federal dollar to retain the essential components of their programs. Much of what they do directly contributes to cost-effective federal program operation i.e. the timely transfer of data regarding historic structures between agencies at both state and federal levels that allows the construction of roads, dams, and urban projects to proceed quickly but also within the law.

In the 1980 Act, local governments were authorized to participate in the preservation program as a partner with the states and federal program. Regulations defining the necessary procedures for participation have recently been published, and the states will be able to "pass thru" dollars to local governments in accordance with law. The states are a necessary component in bringing the local governments into the system. This phase of the program is also important as it will bring greater authority to the community and its citizens for preservation of local resources.

Preservation Action is requesting $23 million for the state survey and and planning grants $ in F/Y 1985. This slight increase acknowledges increased costs of program administration. The preservation program is one of the smallest, tightest programs in government and a $23 million appropriation will ensure the continuity of the successful partnership that enables citizens to preserve the best of our heritage for future generations.

$4.5 MILLION FOR THE NATIONAL TRUST

The National Trust has completed an excellent year as the private sector leader in the preservation field. A number of new programs are bringing expertise to local communities to assist in resolving potential conflict between new development and existing historic buildings. Citizen response to new development is no longer "knee-jerk" opposition. It is increasingly a process that encourages public participation and the National Trust has initiated programs that bring fresh new ideas to the conference table - Main Street, Neighborhoods, Critical Issues, Inner-City Venture Fund, the Trust Revolving Fund.

The Trust has redefined its stewardship responsibilities and efforts are being undertaken to insure greater public use as well as private endowment.

The National Trust leverages its federal support well and has given clear direction to many about the relevance of preserving our great heritage for citizens of all economic means in a time of economic crisis. $4.5 million will maintain the F/Y 1984 appropriation level for current program maintenance and operation.

$25 MILLION FOR DEVELOPMENT GRANTS FOR THE STATES

For three years, Preservation Action has requested development grants as an element of the historic preservation appropriation. We have stated that although many important structures - including landmarks - are not eligible for commercial tax incentives, they sorely need assistance for maintenance and renovation.

This year, the "jobs bill" provided a fine opportunity to prove the "need" for such grants, and to further demonstrate that the money can be efficiently and promptly awarded to properties of special significance; federal, state, and local. The jobs grants data shows that private investment leverage is high, jobs are created, and tradesmen are trained in preservation skills while protecting significant historic structures.

Development grants are not a "frill". They complement commercial tax incentives without breaking the federal bank. The system for their allocation is in place and works efficiently for National Register and Landmark properties that are in non-commercial ownership. An appropriation of $25 million will go far to convince citizens that the federal government is providing the leadership to ensure the national preservation policy, outlined in the 1980 Act, is achieved.

$1.546 MILLION FOR THE ADVISORY COUNCIL ON HISTORIC PRESERVATION

The Advisory Council remains an important component of a successful preservation program by acting as a buffer to prevent the wanton demolition of historic structures by insensitive developers motivated by the receipt of federal project funds. Through the Section 106 process, planned development in conflict can be resolved with all parties participating - private citizens, local government, the state, the Advisory Council and federal agencies.

The Council also fulfills the role of commenting to the President on the national historic preservation program. Most recently, (as authorized in the 1980 law), the Council produced an excellent publication on the federal tax incentives.

$1.546 million is a small appropriation that continues to play a key role in a balanced approach to the whole field of historic preservation.

$155,000 FOR US/ICOMOS

As was the case in F/Y 1984, US/ICOMOS, The International Council on Monuments and Sites, is deserving of an appropriation to pay its dues, to initiate planning for the 8th General Assembly to be held in Washington, DC in 1987 and to support World Heritage and other worldwide preservation programs.

CONCLUSION

Preservation Action testifies as the representative of thousands of citizens throughout our nation who are staking their own time, talent, and money to insure that our historic and architectural heritage is not lost in the whims and wiles of political and economic maneuvering. Each has his or her own rationale for a commitment to heritage. Most realize that a love of history alone will not protect historic buildings from the bulldozing of development. They know that members of Congress, state legislators, and city council members receive tremendous lobbying pressure from special interests groups not always sensitive to historic structures.

We believe that the current, well balanced program - with a strong partnership between federal/state/local government and private sector - is a cost-effective approach to the preservation of our architectural heritage. Annual appropriation for the program is vital, even in times of economic crisis. Often, we are forced, politically, to describe preservation in terms of jobs created, energy saved, tax base restored, and private investment leveraged. We do all of those things well. But, we - and the Congress - must never forget that there are intangible reasons for which we must fight political battles. Generations after us will draw inspiration from the events and people who have molded our nation for almost 400 years. Historic preservation is a marvelous vehicle for sharing the intellectual development of the nation through its buildings - commercial, residential, urban, and rural with many generations to come.

PRESERVATION ACTION ASKS THE CONGRESS TO ADEQUATELY APPROPRIATE FUNDS FOR THE NATIONAL HISTORIC PRESERVATION PROGRAM FOR F/Y 1985.

LETTER FROM JERRY J. PRESLEY, STATE FORESTER, MISSOURI DEPARTMENT OF CONSERVATION

March 28, 1984

Honorable James A. McClure
Dirksen Senate Office Building
Room 368
Washington, D.C. 20510

Dear Senator McClure:

As Chairman of the National Association of State Foresters Forest Fire Protection Committee, I would like to enter my statement for your records in regard to support for an increase in federal funding for State and Private Forestry Fire Control Program.

The National Association of State Foresters recommends increasing the 1984 level of $14 million to $22.680 for 1985.

Adequate forest fire control is the most basic program necessary to achieve good forest management and to insure the investments of landowners in our forest resources, as well as insure the protection and management of several other resources, such as water, soil, air, and wildlife. I am hopeful that your committee will seriously consider my statement as you develop funding levels for fire control for 1985.

Sincerely,

Jerry J Presley

JERRY J. PRESLEY
State Forester

STATEMENT OF JERRY J. PRESLEY

Mr. Chairman, I am Jerry Presley, the State Forester for the Missouri Department of Conservation. I represent the National Association of State Foresters as Chairman of the Fire Committee.

My objective today is to obtain your understanding and support for our proposed Fire Protection program.

The State Foresters and Forest Service are objectively and analytically studying the Fire Protection program on non-Federal wildlands. Conclusions and recommendations of these studies are available.

Our studies have centered around national economic efficiency in fire protection on non-Federal wildlands and how that efficiency might be improved by a defined national interest, Federal role, specific program objectives, and ways to accomplish these objectives.

Our studies indicate that state efficiencies can be improved and that the State and Private Forestry cooperative fire program is the delivery system in maintaining the linkage between the Federal and State programs. The $22.6 million we request for fire protection will assist the States in improving our programs. Our goal is to improve State efficiency by adjusting State programs and targeting Federal dollars to program areas identified as having a national interest, thereby improving efficiency across State boundaries. By targeting Federal dollars and improving State efficiency, the national analysis shows an overall annual reduction of $157 million in resource losses, or about a $7.00 return for each dollar invested. This return would be in the form of reduced loss and damage to the resource.

Wildlife fires do not honor administrative boundaries; therefore, fire management agencies must coordinate their resources to achieve efficiency in protection.

On non-Federal rural lands, the State forestry fire protection programs are financed 95 percent by State funds and 5 percent through the Forest Service Fire Protection program. These Federal funds represent a significant continuing partnership needed to attain efficiency in State and Federal programs.

The specific activities recommended for Federal financial and technical assistance are:

Sharing of Fire Protection Forces. There are several interstate fire protection compacts which allow for sharing of forces across State boundaries this reducing the need for duplication of expensive presuppression equipment such as tractor plows, trained crews, caches, and airtankers. The Federal assistance is designed to provide for coordinating, orgaizing, and training for these compacts thereby reducing overall costs in the program. For example, the Minnesota State Department of Natural Resources shares the use of airtankers, lead planes, and air base facilities with the Forest Service and the Bureau of Indian Affairs, as well as making them available for use across State boundaries.

Development of New Technologies. Many States are developing new technologies which reduce program costs. These technologies also are of interest in other States. The Michigan Department of Natural Resources Roscommon Equipment Development Center is developing fire equipment prototypes which improve firefighting capabilities for both state and federal agencies. Examples are the designs for conversion of Federal Excess Personal Property all-wheeled vehicles into firefighting units. These units are used by State Foresters and local communities for wildland fire suppression. Texas has developed a system for application of fire retardants delivered by ground tankers. San Dimas and Missoula Equipment Development Centers have developed equipment specifically applicable for State use, all in the national interest.

Transfer of Technologies. Many States are transferring technologies to other States through training, workshops, and other methods. An incident command system was developed and implemented in southern California and is being transferred to other States and agencies. This system provides for common terminology, training, and equipment. The States of Colorado, Florida, and Nevada have taken the lead in implementation of NIIMS thus making these forces available to other States and agencies.

Interagency dispatch and training centers are located at the Operation Command Centers in Riverside, Redding and Susanville, California; Washoe Lake, Nevada; and Wasatch Front, Utah. Interagency airtanker facilities include bases at Medford, Oregon; Hibbing, Minnesota, and throughout California.

Collecting, Analyzing, and Reporting Information. All States are involved in annually collecting and reporting information of national interest. This information is used for supporting analyses, research, and other program objectives. Several States, including New Mexico, North Carolina, and Washington, have completed analyses of their fire program efficiency and 19 additional States have fire planning and analyses underway. The results of these analyses are used for program support and management as well as for providing information nationally. Arizonia is using LANDSTAT imagery to develop land form and vegetative information for their fire plans. The midwestern States are using efficiency analyses to better plan their cooperative relationships with rural fire districts.

Federal Excess Personal Property (FEPP) Program. The Cooperative Fire Protection program has provided a delivery system for States to obtain over $30 million annually of FEPP. This represents a "second life" for this property and enables States and State cooperators to obtain needed fire protection equipment at very low cost. The State of Maine has over $3.2 million in FEPP including $1.1 million in aircraft. Pennsylvania has provided their rural fire departments with over $3.5 million in equipment for wildland fire protection programs. Rural fire departments serve areas were 40% of the people in our nation reside. They not only protect the homes and other investments of rural people, but, they also protect other valuable national resources.

Mr. Chairman, the program we dscribed is based on sound economic principles and offers measurable benefits to the Federal Government while helping to achieve efficiency in State programs. The Cooperative Fire Protection program is the delivery system to meet the goal of overall cost reduction in non-Federal wildland fire protection.

STATEMENT OF ED MADEJ, PRESIDENT, MONTANA WILDERNESS ASSOCIATION

At the last council meeting of the Montana Wilderness Association, the council passed a resolution in support of the Wilderness Research Unit of the Intermountain Forest and Range Experiment Station. We urge you to do whatever you can to restore funding for this valuable research unit to the funding levels that existed prior to 1982.

We believe serious consequences will develop in the future as a result of the drastic cuts to the Wilderness Research Unit's budget in the last three years.Their budget has effectively been reduced to almost nothing -- half the scientists and only 10% of the operating budget they had five years ago. This decrease has occurred during an era when millions of acres have been added to the wilderness system, and an era of vastly increased demands on the wilderness resource. The overall Forest Service budget has not decreased, yet the wilderness research unit budget has been decimated. In light of the importance of our wilderness system. and the increased pressures facing it, we strongly urge that the research unit be maintained as a viable program, rather than crippled without an operating support budget to conduct basic research.

The President's proposed budget for the Experiemnt Station is estimated at $162,000 for the 1985 fiscal year. We believe at least a $125,000 increase will be necessary to maintain a viable research program. There are many presssing problems in wilderness management that are being neglected, due to a lack of research funds. And, essential baseline data is impossible to collect without an operating budget to finance it. We feel it is crucial to have follow-up studies to compare with the excellent baseline data collected by the unit in the Bob Marshall, the Mission Mountains, and other wilderness areas in Montana in 1970.

The Wilderness Research Unit performs a crucial service, not only to Montanans, but to the millions of Americans that support and cherish the eighty million acre National Wilderness Preservation System. We urge you to look into this situation and take whatever actions are possible to restore research funds.

STATEMENT OF DORIS MILNER, MONTANA WILDERNESS ASSOCIATION

For what seems forever, at times, Montana conservationists and their congressional delegations have been working almost ceaselessly to identify and secure with legislation wilderness areas in Montana.

I am hopeful that there is a dim light now showing at the end of the tunnel and that within a year or so we will have brought this process to an end.

But, even while we were expending our energies in the allocation efforts, we knew that the time was already upon us for establishing some basic rules of use since the public is certainly showing by its increasing use that this national recreation resource is greatly to its liking. However, we all know that for rules or regulations to be defensible, they must be backed by facts and solid information. Gathering this information is the role given to the research arm of the Forest Service and this is the purpose of the wilderness management research unit in Missoula.

But what is happening? While thousands and thousands of dollars and many thousands of hours have been spent to set up our national wilderness preservation system, the bottom is now dropping out of the funding for research which is vital to the preservation of the very system we have worked to hard to obtain.

I make an effort to keep up with the various funding programs for the national forest resources. Wilderness and recreation are of special interest to me. I have attached a short simple budget sheet which I think tells the tale fairly clearly. I have inquired about the impacts of this drastic reduction over the years and it is devastating. If you don't have funds you don't do research.

I would like to recommend that consideration be made to restore the funding level resulting from averaging the fiscal years 1979–81. Our wilderness resource deserves protection in more ways than just legislation. The work needs to be done now not after irreparable damage has been done and user conflicts built up to a dangerous level—physically and politically. Therefore, I urge you to do everything you can to shore up the wilderness research program funding.

Just recently I supplied your office with a report by Clifton Blake which goes into some detail on the problems faced by the resource manager when trying to resolve user conflicts. With solid information on use impacts, user education needs, et cetera, the manager has a much better chance of making defensible decisions. Independent research such as is supplied by the Intermountain Research Center is of paramount importance to the wilderness managers.

Your support for adequate funding for the research center's wilderness research management unit is imperative and I urge you to give this need your support.

Thank you.

ANNUAL BUDGETS, 1979–85 WILDERNESS MANAGEMENT RESEARCH UNIT

	Total received by the Intermountain experiment station	Operating budget (for travel, temporary employees cooperative research et cetera)
Fiscal year:		
1979	$294,000	$137,000
1980	263,000	99,000
1981	275,000	94,000
1982	198,000	[1](+25,000) 44,000
1983	201,000	[1](+36,000) 25,000
1984	171,000	[1](+10,000) −13,000
1985 (estimate)[3]	162,00	[2](+30,000) −28,000

[1] Salary savings due to leave without pay by George Stankey, in Australia 24 months.

[2] Special supplement by the Washington office, Forest Service.

[3] Based on projection of President's 1985 budget, on February 28, 1984.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1985

FRIDAY, FEBRUARY 24, 1984

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10:11 a.m., in room SD–138, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senators McClure, Johnston, Leahy, and Burdick.

CONGRESSIONAL WITNESSES

STATEMENTS OF:

HON. ANTHONY C. BEILENSON, U.S. REPRESENTATIVE FROM CALIFORNIA

HON. PETE WILSON, U.S. SENATOR FROM CALIFORNIA

OPENING STATEMENT

Senator MCCLURE. Good morning. This is the first of 19 days the Subcommittee on the Department of the Interior and Related Agencies has scheduled to receive testimony on the fiscal year 1985 budget requests for the many programs under its jurisdiction.

I should mention at the outset that 27 individual hearings the subcommittee has scheduled on these 19 days is a 30-percent reduction from those conducted by the subcommittee in recent years, and this reduction has been made primarily because of the shortened legislative schedule of the Congress this year.

I must say that I am particularly disturbed that we were forced to cancel the time normally set aside for public witnesses to orally testify.

Despite the unfortunate decision to cancel these particular hearings, however, the subcommittee will still compile a public record, and we ask that those who wish to make statements regarding the fiscal year 1985 budget requests submit three copies of their testimony to the subcommittee by April 1, 1984.

This will give us time to review each and every statement, obtain further background information, and make appropriate decisions prior to the subcommittee's markup of the fiscal year 1985 Interior appropriations bill, which could occur as early as late May.

Senator JOHNSTON. Mr. Chairman. I would just like to join you in your statement and welcome the Secretary before our committee.

Senator MCCLURE. Thank you very much, Senator.

Senator Burdick, do you have any statement you wish to make at this time?

Senator BURDICK. No statement, but a nice welcome.

Senator MCCLURE. Thank you.

We will begin this morning by hearing from congressional witnesses, Congressman Anthony Beilenson, followed by Senator Pete Wilson.

PREPARED STATEMENT

Congressman, it is again a pleasure to welcome you before this committee. Your testimony will be made a part of the record, and we ask you to highlight your statement as you see fit.

[The statement follows:]

STATEMENT OF CONGRESSMAN ANTHONY C. BEILENSON

Mr. Chairman, I appreciate the opportunity to testify before your subcommittee in support of funding for the Santa Monica Mountains National Recreation Area [NRA] which is located partially in the congressional district I represent. We very much appreciate the $15 million appropriation approved by Congress last year for our region's park, and we hope that there will be additional funds forthcoming in fiscal year 1985 to continue the land acquisition program there.

It is heartening to see the Reagan administration formally supporting the expansion of the Santa Monica Mountains NRA by requesting $5.9 million for land acquisition there. As you know, in the 3 years previous to this one, the administration sought a moratorium on park land purchases—a policy which was particularly damaging to the Santa Monica Mountains and to other newly established parks. The turn around in land acquisition policy at the Department of the Interior under Secretary Clark is very encouraging to those of us who recognize that, unless substantial progress is made toward completing the Santa Monica Mountains NRA during the next few years, many important parcels will be built upon and lost for recreational use forever.

When Congress authorized $155 million for the Santa Monicas in 1978, the timetable for acquisition was intentionally designed so that large amounts of money would be spent relatively quickly because of the development pressures on much of the desirable land there. Of that $155 million, originally intended to be appropriated over a 5-year period, only $57 million has been made available over the course of 6 years. That $57 million has allowed the National Park Service to acquire some key parcels and begin operating programs in the mountains, but the progress made in establishing the park is far from what it could have been by now.

In fact, some of the areas the Park Service originally wanted to acquire have already been lost to residential development, and the Park Service has scaled down its acquisition plans to reflect both that the land has been lost and that funds have not been forthcoming at the rate which was originally anticipated. The recently drafted land protection plan, which upon final approval will replace the park's 1980 Land Acquisition Plan, calls for total Federal purchases of 34,400 acres—8,500 fewer than the 42,900 acres called for in 1980. However, even with less Federal acreage, the Santa Monica Mountains NRA will be magnificent park and an extremely valuable natural resource to Southern California—if the National Park Service can purchase the critically important parcels before they are turned into residential developments.

There are a number of parcels that the Park Service could acquire now, if funds were made available:

The Park Service would like to complete the acquisition of Zuma and Trancas Canyons, which form a key link in the park and constitute an area that represents one of the best remaining opportunities available to protect coastal canyons and their unusual habitats. With fiscal year 1984 funds, the Park Service will be able to acquire about half of this parcel. But, it will take approximately $12 million more in fiscal year 1985 to complete this acquisition.

Another example of a desirable site includes Oren Realty property, costing an estimated $5 million. This area contains the quickly disappearing oak savanna habitat and protects a portion of one of the key links in the park, the Zuma Ridge Trail.

Another important acquisition could be Claretville, at an estimated cost of $12 million, which would be perhaps the single most important visitor activity site within the NRA.

The area connecting Leo Carrillo State Beach to Rancho Sierra Vista could be acquired for an estimated $6.9 million. This area includes some of most spectacular mountain scenery in the NRA and would complete the core of the resources needing protection in this part of the park.

I mention these specific tracts to show the subcommittee how easily the Park Service could use an appropriation in the range of $35 million. There are many other desirable and available sites, such as properties located in Topanga and Solstice Canyons, and I would hope that this subcommittee could support an appropriation which would allow the purchase of various parcels in the most cost-effective and useful way possible.

There are three particularly important points I would like to make about the Santa Monica Mountains, and I shall summarize them briefly since I have made these points in more detail when I have testifed before this subcommittee in the past.

First, because this park is located in the midst of a densely populated and rapidly growing metropolitan area which has a dearth of open space, the Santa Monica Mountains NRA has the potential to be the most frequently visited unit of the national park system. In terms of providing outdoor recreational opportunities for the greatest number of people now and in the future, there is probably no better use of National Park Service funds than the continued acquisition of park land in the Santa Monicas.

Second, the Santa Monica Mountains are particularly prone to fires, floods, and mudslides. If more of the land there is developed, we are almost certain to be spending more in the long run in Federal disaster aid for the increasing number of homeowners there who will become victims of natural disasters than if we purchase the land for the park.

And, third, the Park Service is making every effort to pursue alternatives to fee acquisition, so that the park can be completed in the most cost-effective way possible. I might also add at this piont that, although the land there is admittedly, expensive, many of the most expensive sites have already been acquired so most of the acquisitions in the future will cost much less per acre than the earlier purchases.

In closing, I want to impress upon you the urgency of providing the highest level of funding possible for the Santa Monica Mountains for fiscal year 1985. While we appreciate the administration's demonstration of support for the park, their $5.9 million budget request is not nearly enough to make the purchases needed to keep many critical areas from being lost to development. I would strongly urge you to support an appropriation that would allow the Park Service to acquire a large number of the needed parcels, ensuring a great deal of progress toward completion of the park.

Thank you, again, for the opportunity to testify today and for your consideration of this request.

STATEMENT OF HON. ANTHONY C. BEILENSON

Mr. BEILENSON. Thank you very much, Mr. Chairman and Senators. I really appreciate this chance to testify again before your subcommittee in support of funding for the Santa Monica Mountains National Recreation Area, and I appreciate also your personal courtesy extended to us to allow us to go on for just 4 or 5 minutes prior to hearing from the distinguished Secretary.

We appreciate very much—let me say at the outset, sir—the $15 million appropriation which the Congress approved last year for our region's park, and we hope that there will be some additional funds forthcoming in fiscal year 1985 to continue the land acquisition program there.

It is heartening, frankly, to see the Reagan administration formally supporting the expansion of the Santa Monica Mountains NRA by requesting $5.9 million for land acquisition there.

As you know, sir, in the 3 years previous to this one, the administration had sought a moratorium on parkland purchases, a policy which was particularly damaging to the Santa Monica Mountains and to other newly established parks.

The turnaround in land acquisition policy at the Department of the Interior under Mr. Clark is very encouraging to those of us who recognize that unless substantial progress is made toward completing the Santa Monica Mountains National Recreation Area during the next few years many additional important parcels will be built upon and lost for recreational use forever.

When Congress authorized $155 million for the Santa Monicas back in 1978, the timetable for acquisition was intentionally designed so that large amounts of money would be spent relatively quickly because of the development pressure in Los Angeles on so much of the desirable land there.

Of that $155 million originally intended to be appropriated and spent over a 5-year period, however, only $57 million has been made available over the course of the first 6 years. That $57 million has allowed the National Park Service to acquire some key parcels and begin operating programs in the mountains, but the progress made in establishing the park is far from what it could have been by now.

In fact, some of the areas that the Park Service originally wanted to acquire have already been lost to residential development, and the Park Service has scaled down its acquisition plans to reflect both that the land has been lost and that funds have not been forthcoming at the rate which was originally anticipated.

The recently drafted and approved land protection plan, which upon final approval will replace the park's 1980 land acquisition plan, calls for total Federal purchases of 34,400 acres, 8,500 acres fewer than the 42,900 called for back in 1980. However, even with less Federal acreage, the Santa Monica Mountains will be a magnificent park and an extremely valuable natural resource to southern California and the Nation if the National Park Service can purchase the critically important parcels before they are turned into residential developments.

There are a number of parcels, Mr. Chairman, that the Park Service could acquire now and wishes to acquire now if funds were made available. I have listed them for you, four different groups of acreages, in the prepared testimony which you have before you, Mr. Chairman.

They add up to about $35 million, and we mention these specific tracts, which are under consideration now and under considerable potential pressure for development, to show the subcommittee how easily the Park Service could use an additional appropriation in the range of $35 million.

There are many other desirable and available sites, such as properties located in Topanga and Solstice Canyons. I would hope that this subcommittee would support an appropriation which would allow the purchase of various parcels in the most cost-effective and useful way possible, and, as you understand, Mr. Chairman, that means as quickly as possible, because the longer we put off acquiring these tracts of land, the more expensive obviously they are.

There are three particularly important points I would just like to make and leave with the subcommittee about the Santa Monica Mountains. I will summarize them briefly because I have made these points, Mr. Chairman, in more detail when I have testified to your subcommittee in past years, but I think they are important to reiterate and to underline.

First, because the park is located in the midst of a densely populated and rapidly growing metropolitan area which has a dearth of open space and about 10 million visitors from throughout the country each year, the Santa Monica Mountains NRA has the potential to be the most frequently visited unit of the National Park System. We already get more visitors there than any three or four of the major old line parks combined.

In terms of providing outdoor recreational opportunities for the greatest number of people now and in the future, there is probably no better use of National Park Service funds than the continued acquisition of parkland in the Santa Monicas.

Second, these mountains are particularly prone to fires, floods, and mudslides, and if more of the land there is developed we are almost certain to be spending more in the long run in Federal disaster money, in Federal disaster aid for the increasing number of homeowners there who will become victims of natural disasters than if we purchase the land outright for park purposes.

It is an incredible statement, but it is true, and it is land which obviously shouldn't be built upon anyway for homes, but that is what is happening in the absence of our being able to acquire some of the better parcels.

Third, and finally, Mr. Chairman, the Park Service is making every effort to pursue alternatives to fee acquisition so that the park can be completed in the most cost effective way possible.

I might also add at this point that although the land there is admittedly expensive, many—most, actually—of the most expensive sites have already been acquired so that virtually all of the acquisition in the future will cost much less per acre than the earliest purchases.

In closing, I simply want to impress upon you the urgency of providing the highest level of funding possible for the Santa Monicas for fiscal 1985. While we appreciate the administration's demonstration of support for the park, their $5.9 million budget request is not nearly enough to make the purchases needed to keep many critical areas from being lost forever to development.

I would strongly urge you, gentlemen, to support an appropriation that would allow the Park Service to acquire a large number of the needed parcels, insuring a great deal of progress toward completion of the park, and in the long run, sir, saving a great deal of federal money.

Thank you so much for giving me this chance to testify at the beginning of your session.

Senator McClure. Thank you very much, Congressman.

I have just one question, as perennial as is the request. I noticed on the last page of your statement you mention the fact that we will pay out in Federal aid disaster assistance for people who build in areas that we otherwise might buy.

We have been urging the local governments to take a hand in this ever since the problem came up. It is my understanding that Ventura County has been the most helpful of the three jurisdictions that are involved, but your statement implies that local government is still going to issue building permits in areas that are known disaster areas and expect the Federal Government to pick up the tab.

Am I correct?

Mr. Beilenson. I believe you are correct, sir. I think the point you make is absolutely correct. It is true that Ventura County has been particularly helpful.

I agree with you that there is no reason in the world, no excuse in the world for them to allow building in these areas, but in fact, sir, they do.

It is outrageous because we are asked to pay for this later on even though we knew, or should have known, at the outset that it was nonsense.

Senator McClure. I understand, but if local government were doing its part we would get this done a lot less expensively.

Mr. Beilenson. There is no question whatsoever about that, sir.

Senator McClure. Somehow we have to try to get across to local governments that they have a responsibility as well. It is not just the rest of the taxpayers of the country.

Mr. Beilenson. I couldn't agree with you more, sir.

Senator McClure. Senator Johnston.

Senator Johnston. Congressman Beilenson, I think we made a big mistake with this park. The Senate passed the Santa Monica Mountains and Seashore National Park bill back a number of years ago, which involved $50 million in Federal funds but involved the cooperation of all the local governing bodies in coming up with a plan and some matching funds, but mainly a plan involving zoning, land use restrictions, and a series of things which they well could have done at that time.

We passed it in the Senate. The House didn't pass it because they said we need the whole fee, when it seemed perfectly obvious to me that we would never be able to afford to buy all of that land, didn't need all of that land.

Now, at that time our conclusion was that most of these mountains could never be used for a recreation area anyway. They were much too fragile.

Isn't that correct? You can't have a lot of people trooping around the mountains?

Mr. BEILENSON. Well, let me say two things. First of all, sir, I was not here at the time, but I read your hearings and I understand your point of view, and I don't disagree with them at all, and I am sorry that they didn't get started at that time. Of course, obviously, they could have even acquired more land at less cost under your particular plan, and I salute you for being far-sighted, and I am simply sorry that they didn't do it.

When we came along, this is about the only alternative that we could succeed with.

What was your question?

Senator JOHNSTON. My question is: can you really use those mountains for a recreation area? I mean, can people go out hiking around those mountains?

Mr. BEILENSON. Yes, sir, they do. They hike, they go on horseback, and they use it for regular recreational purposes, too.

The reason that it has been so expensive thus far is that we have been acquiring properties which themselves are relatively flat and are within the mountains and also, because of that, are the ones which cost the most because those are the ones on which homes and subdivisions can be built.

But almost without exception, the properties that we have acquired—that the Park Service has acquired thus far are relatively flat and very usable for recreational purposes.

Senator JOHNSTON. Well, our judgment at the time—I mean, the seashore was a great recreation area, the mountains were a pretty place, but our idea was we didn't want a lot of people out there, that this was mainly an air shed for L.A. County and that you just wanted to prevent development, but you didn't want to put a lot of hikers and backpackers or bicyclers or whatever——

Mr. BEILENSON. Well, you can put a lot of hikers and backpackers, sir, and still not have very much of an adverse impact upon the land. It remains a clean air shed. To the extent that we can prevent development I think that is a useful thing, but having a few hundred on weekends, several thousand, as we often do, folks running around there or walking around there or riding around there or even playing there still preserves the pristine nature of most of that area.

Senator JOHNSTON. Well, a few thousand, yes. A few thousand in an area that large is not very many, but if you are talking about more people in that area than you have in Yellowstone National Park, I would think the grass would be tramped down, the unconsolidated ground would be wearing away.

Mr. BEILENSON. But it is not happening. I am not sure why.

The Yellowstone has, as I recall, only about 2, 2¼ million visitors a year, and they come mainly, I guess, in the 2 months of the summer. One of the great things about this and some other urban type parks is of course that they are available to the populace 12 months of the year, and we get continuous use throughout the year.

So even if you get just a few thousand people per day, it adds up to many millions of people-days of use throughout a year, and you end up having a lot more people use it, sir, than the old line parks.

Senator JOHNSTON. Well, do you have any ideas as to how we can do something less than acquiring in fee this property?

Mr. BEILENSON. Well, they already have, Senator, acquired some access to land. They have got conservation easements. They have got right-of-way easements. They have already got a few hundred acres of donations, and we hope very strongly to get perhaps as many as a few thousand acres in donations.

We have had some transfers of land, and, as I said, right-of-way easements, and we are simply not, as I said in my testimony, proposing now to acquire in fee the amounts of land that we originally hoped we would be able to acquire. The money hasn't come that quickly, and the land prices have escalated.

So we have cut back even in terms of total fee acquisition that we even envisioned from the 40,000-some down to 38,000 acres that I mentioned.

Senator JOHNSTON. You say you need to get 38,000 acres?

Mr. BEILENSON. We are aiming for 38,400 acres, I believe it is, Senator, in fee.

Senator JOHNSTON. For the total plan?

Mr. BEILENSON. Yes, total.

Senator JOHNSTON. And what would that cost, do you think?

Mr. BEILENSON. I think, Senator, we are talking about a total of $200 million.

Senator JOHNSTON. $200 million.

Mr. BEILENSON. Originally, as you know, the authorization was for $155 million. So we have had——

Senator JOHNSTON. Well, I feel very much like the chairman, that we ought to have some more action out of the local governing authorities before we would talk about a plan of that scope, and we want to provide for the emergency acquisition so you don't get a lot of condos in the wrong place, but $200 million——

Mr. BEILENSON. That is exactly what is happening, unfortunately.

Senator JOHNSTON. For an area that, as I saw it, was relatively unusable other than the seashore for recreation, other than very light use, that is an awful lot of money, with no cooperation out of the local governing authorities.

Thank you, Mr. Chairman.

Senator MCCLURE. Thank you very much.

Senator Burdick.

Senator BURDICK. Thank you, Congressman. I appreciate your testimony, and I know of your interest. You know our interest, too, but $200 million for one park is very difficult to assign at one particular period in history.

Mr. BEILENSON. I understand that, Senator, but we also are talking about an area where you have got, you know, 8 to 10 million people living there within an hour's drive of the park and 10 million visitors from throughout the country who visit there every year, so we are talking about a place which already is being used.

Senator JOHNSTON. Most of the 10 million are on the seashore, though, aren't they?

Mr. BEILENSON. Yes, sir, most of them will be using the seashore.

Senator MCCLURE. Thank you very much.

Mr. BEILENSON. Thank you, sir.

Senator MCCLURE. We will next hear from our colleague, Senator Pete Wilson.

Senator Wilson, you are more than welcome before this committee. We appreciate your appearance and your interest.

STATEMENT OF HON. PETE WILSON

Senator WILSON. Thank you very much, Mr. Chairman.

Mr. Chairman, in the interest of your time, I will not read the statement, copies of which have been provided to you and the members of the committee.

However, I would appreciate highlighting a couple of things, and to begin with, I want to thank you and the members of this committee. You have brought great joy, along with the decision of Secretary Clark, to the people of the Bear.

It is through the work of this committee that the Secretary has been permitted the basis, through an updated appraisal, to make the decision to acquire the Sweeney Ridge addition, and for that we very sincerely thank you.

Turning to the Interior appropriations for fiscal year 1985, I would like to first touch on the subject of the Outer Continental Shelf development. I see no reason why existing OCS moratorium language in the fiscal year 1984 bill shouldn't be continued through fiscal year 1985.

There are two new developments that in fact argue for just that extension.

First, the Department of Defense has identified vast sections of the Outer Continental Shelf, especially off southern California, which if developed would come into conflict with their daily operations, extensive operations in a variety of different modes.

They will be more than pleased to testify extensively on that. Their official position, now that it has been adopted, candidly surprised even me. I was aware of the difficulties that they experienced with it, but it has exceeded even my expectations in terms of both the intensity with which they are making the point and also the extensiveness of their concern.

Second, we have a new Secretary of Interior who has wisely decided to delay the leasing until he has had an opportunity to review the former Secretary's OCS program. I applaud that caution. I think that it is a wise decision, and I would suggest that it would be appropriate that, at the very least, we wait until Secretary Clark has had an opportunity to conduct his own review of the situation, including the concerns which he must share as a former Chairman of the National Security Council, the concerns expressed by the military.

Once Secretary Clark has had this opportunity, then I think it would be appropriate for Congress to take action, but until that time I would urge that we continue the moratorium.

Finally addressing land acquisition, I support the President's budget requests. They amount to some $27 million for land acquisition in California.

I am going to suggest some additions, some minor modifications. Let me touch on a few of the most important.

With respect to the Redwood National Park, the President's budget request $10 million, this to be used primarily for purchase of a right-of-way around the park, for construction of a Highway 101 bypass. I support that. I think that this is a timely purchase and urge the committee's approval of it.

The Lake Tahoe Forest Service land acquisition program under the Burton-Santini Act, the President is requesting $10 million to follow the $10 million that was appropriated in fiscal year 1984. Again, I would urge that development threats at Lake Tahoe are severe. I think that it would be most unwise for us to retreat from what the committee has begun, and that is an aggressive land acquisition program in that area.

My colleague from the House, Congressman Bielenson, has made an eloquent plea to you in some detail, outlining the concerns which he has with respect to the Santa Monica Mountains National Recreation Area. The President's budget contains $5.89 million for further acquisition in that area, which of course I support.

I would urge that some additional moneys above that amount be appropriated insofar as it is possible to do so to complete purchases in Zuma and Trancas Canyons. The Park Service officials at the Santa Monica Mountains National Recreation Area report that the fiscal year 1984 appropriations will be sufficient to purchase only about one-half of these canyon properties.

The President's budget contains $1 million for the Golden Gate National Recreation Area. It will be used for the continuing purchase of properties listed on the Golden Gate National Recreation Area land protection plan. I support the President's budget in that.

The sum of $1½ million are contained in the President's budget for the Point Reyes National Seashore, this to be used for the purchase of properties on the Bolonas Mesa and to lease four other priority parcels in the park's land protection plan.

Finally, the President is urged to add to his budget moneys that I think are fully justified for the purchase of the Coachella Valley Preserve, some $5 million for the purchase of sensitive dune habitat lands in the vicinity of the city of Palm Springs. The Fish and Wildlife Service had not completed its work early enough for inclusion of money for habitat acquisition in the President's budget; however, it is my understanding that the Fish and Wildlife Service now is ready to proceed with acquisition once money is available.

This is deemed so desirable locally, speaking of the cooperation of local governments, that local developers are willing to provide some matching funds. A $5 million appropriation would be sufficient to begin the purchase of the most sensitive habitat threatened by development interest. Local land developers have indicated that if a Federal commitment is made to establishment of this preserve they will forgo efforts to continue development in this attractive area, and in fact, as I indicated, they have promised to share with the Federal Government in financing this preserve.

This obviously is all contingent upon a demonstration by Congress of a commitment to purchase this sensitive habitat area.

Finally, the Channel Islands National Park represents an opportunity that I think the committee cannot but help be interested in. The park consists of five islands, as the committee knows, five islands off the Coast of Santa Barbara, two of which are presently in private ownership.

The park's final land protection plan is shortly due to be issued. A Park Service appraisal of some of the private property in question is expected by the end of May.

Once these documents are available, I would ask the committee's indulgence to allow me to report back to the committee with my views on this park.

Again, I thank the chairman and the committee for hearing me on these issues. They are important to California and to the millions of visitors who yearly swell the population, the resident population, which I would remind my colleagues now has exceeded 25 million people.

I think the work of your committee is of enormous importance precisely for that reason. California is a State with not only an enormous population presently, but also a growing population, most of it centered in urban population centers.

The need for the kind of thing that you have permitted us to do at Sweeney Ridge in the past year and in the Golden Gate National Recreation Area and, as my colleague told you, the potential with respect to the Santa Monica Mountains National Recreation Area is that an awful lot of people who otherwise simply lack the resources to travel to distant areas will find themselves able to enjoy an outdoor recreational circumstance which without the action of this committee would be denied to them.

I think that is important for their health. So I again thank the committee for the very good work that you have done and ask that you continue in the grand tradition that you have established.

PREPARED STATEMENT

Senator McClure. Senator, thank you for your statement. Before we ask you some questions we will insert your prepared statement in the record.

[The statement follows:]

STATEMENT OF SENATOR PETE WILSON

Mr. Chairman, and members of the subcommittee, I appreciate the opportunity to appear before you today to discuss issues of vital concern to California. Before launching into my requests for Interior appropriations for fiscal year 1985, I would like to express my heartfelt thanks to this committee for its assistance on securing the acquisition of Sweeney Ridge as a parkland acquisition to the Golden Gate National Recreational Area. As you may recall, an amendment to a supplemental appropriations bill was agreed to last June that directed the Park Service to update an existing appraisal of this property. The updated appraisal was completed last November. It is on the basis of this new appraisal that Secretary Clark was able to recently conclude a purchase agreement with the private landowners. Without the assistance of this committee, none of this would have transpired. Your work on this issue is most appreciated.

Turning to Interior appropriations for fiscal year 1985, I would first like to touch on the subject of Outer Continental Shelf development. I see no reason why existing California OCS moratorium language in fiscal year 1984 should not be continued through fiscal year 1985. In fact, there are two new developments in this area since this committee dealt with this issue last fall. First, the Department of the Defense has identified vast sections of the OCS, especially in southern California, that if developed, would come into conflict with Navy operations. I and several others have argued this point for some time now, but it is only within the last several months that the Navy has formally committed itself to this position.

Second, we have a new Secretary of the Interior who has decided to delay California OCS lease sales until he has had an opportunity to review former Secretary Watt's OCS program. I applaud Bill Clark's caution and maintain that we in Congress should continue this California moratorium, at the very least until Secretary Clark has had an opportunity to conduct his own review of the situation. Once Clark is clear on how he plans to proceed, Congress can and should take appropriate action at that time. Until then, we should continue the moratorium.

Land acquisition is the final subject I wish to address. Generally, I support the President's budget request, but would recommend a few minor modifications. Let me touch on a few of the most important appropriation priorities as they relate to California:

Redwood National Park: $10 million.—It is my understanding that this money will be used to purchase a right-of-way around the park that would be used for the construction of a Highway 101 bypass. Highway construction money is already available and is being held up only because of a lack of a right-of-way. In the interests of completing this project, I support the President in this request.

Lake Tahoe Forest Service land acquisition program (Burton-Santini Act): $10 million.—The President's budget contained only $2.5 million for this program, but I believe that it would be wrong not to maintain existing funding for this important land acquisition project. Ten million dollars was appropriated for fiscal year 1984 and the same should again be made available in fiscal year 1985. Development threats at Lake Tahoe are too severe to retreat from an aggressive land acquisition program.

Santa Monica Mountains National Recreation Area: at least $5,890,000.—This figure represents the President's budget request and can be used for the purchase of threatened lands owned by the Oren Realty Co. This property, located in Los Angeles County, has an estimated value of $5 million. Additional moneys above $5.89 million should be appropriated to complete purchases in Zuma and Trancas Canyons. Park Service officials at SMMNRA report that fiscal year 1984 appropriations will be sufficient to purchase only about half of these canyon properties.

Golden Gate National Recreation Area: $1 million.—I endorse the President's request for this money which would be used for the continuing purchase of properties listed on GGNRA's land protection plan.

Point Reyes National Seashore: $1,500,000.—This money is also included in the President's budget and would be used for the purchase of properties on the Bolonas Mesa and at least four other priority parcels in the park's land protection plan.

Two additional items of land acquisition priority that were not included in the President's budget deserve the attention of this committee.

Coachella Valley Preserve: $5 million.—This money would be used by the Fish and Wildlife Service for the purchase of sensitive dune habitat necessary for the preservation of the fringe-toed lizard, an endangered species. The lizard habitat boundaries, located just east of the city of Palm Springs in the Coachella Valley, were just recently finalized by the Fish and Wildlife Service last November. This was too late to have any moneys for habitat acquisition included in the President's budget request. However, it is my understanding that the FWS is now ready to proceed with acquisition once money is made available.

A $5 million appropriation would be sufficient to begin purchasing the most sensitive habitat threatened by development interests. Local land developers have indicated that if a Federal commitment to the establishment of this preserve is forthcoming, they will forego efforts to continue development of this attractive area. In fact, they have promised to share with the Federal Government in financing this preserve. All of this is contingent, however, upon a demonstration by Congress to the purchase of sensitive habitat. Protection for the fringe-toed lizard is supported by the State of California, the local county board of supervisors, the city of Palm Springs, the affected private landowners, and the area Congressman, Alfred A. McCandless.

Channel Islands National Park.—This park consists of five islands off the coast of Santa Barbara, two of which are presently in private ownership. The park's final land protection plan is shortly due to be issued. A Park Service appraisal of some of the private property in question is expected by the end of May. Once these documents are available, I will report back to the comimttee with my views on this park.

Again, I thank the committee for hearing me on these issues of importance to California. I look forward to working with you on the passage of Interior appropriations for fiscal year 1985.

Senator McClure. Senator, I think the fact that the Sweeney Ridge issue has been settled is a tribute to your persistence as well as the efforts by the National Park Service and the Secretary of the Interior and members of this committee.

I can't help but note, however, some of the difficulties that we have, not with just Sweeney Ridge but all of the California projects.

My quick mathematics would indicate that out of the President's proposed budget for the National Park Service, California gets 20 percent; out of the President's proposed budget for Fish and Wildlife Service, California gets 14 percent.

Some other people are chafing that the pace of development out in California exceeds that in almost every other area of the country, and I suspect that that is because the pace of private development exceeds that of many other areas.

You have done a good job. We will do the best we can with respect to the requests that you have given to us.

The Coachella Valley Reserve is a relatively new issue to this subcommittee. We will be looking at that with a very great deal of interest, particularly the commitments that have been made by private property owners and the State and the county board of supervisors as well as the city of Palm Springs, all of whom have suggested that they are willing to help. We want to see the extent of that willingness.

Senator Wilson. Thank you very much, Mr. Chairman.

Senator McClure. Thank you very much.

Senator Johnston.

Senator Johnston. Welcome to the committee, Senator Wilson.

We are of course aware of the very controversial nature of the drilling on the OCS. I am wondering, is there any special environmental circumstance relating to the California coast that does not obtain to the

OCS drilling areas in other areas such as Florida, Louisiana, Texas, et cetera?

Senator WILSON. I think the special environmental circumstance may be the density of development, the density of population, particularly in the southern California area.

You don't have that same circumstance in the more remote northern areas, some beautiful scenic areas, to be certain, and I would have to say that I think that coastline is perhaps the richest resource which the State possesses in terms of a vast panoply.

It is difficult for me to say that having just urged you to acquire land in other portions, but I really think it is a spectacular resource, and I am sure that it is in every area.

Senator JOHNSTON. And I certainly agree with that. I mean, is there any special circumstance that inheres in the floor, or are there mineral, are there geologic characteristics of it?

I mean, I know about the value of the beauty of the shore and the marvelous weather.

Senator WILSON. Well, the reason that I was making that point in conjunction with the concentration of the population, especially in that southern California area, is that while your question relates to the environment, if I may, I would take a somewhat broader charter.

The circumstance is such that not only do a great number of people live there, but also the coastal economy plays an enormous role in the economy of the entire State.

I serve on the Agriculture Committee and am fond of telling some of my colleagues that we have——

Senator JOHNSTON. I am aware of that, but if I may interrupt, what I am really getting at, is there any greater danger, any greater likelihood that you would have an oilspill there than you would, say, in the Gulf of Mexico?

Senator WILSON. Not being familiar with the situation in other States, but only in California, I would say there is to this extent; I think that in California, as was demonstrated in the unfortunate Union blowout in Santa Barbara some years ago, there is, to begin with, some difficulty in terms of the fragility of the structures. There is a certain amount of natural seepage, as you know, and has been for presumably centuries. Insofar as we are able to ascertain history, early Indians in the area were aware of it.

That has led some people to believe that special care has to be exercised with regard to the drilling.

The other thing that I would say in response to your question—and I think it is a very good question—is that because of the fact that tourism has exceeded, in the estimates of some, even agriculture as the No. 1 employer and in terms of dollar volume the leading industry of the State and because that is so heavily centered in that southern California coastal area, that what we are talking about is an environmental and an economic impact of extraordinary dimensions.

Senator JOHNSTON. I understand that.

Senator WILSON. And the——

Senator JOHNSTON. I think that answers my question, and I appreciate that answer.

Senator WILSON. All right, sir.

Senator JOHNSTON. Thank you very much.

Senator WILSON. Thank you.

Senator MCCLURE. Senator Burdick, did you have any questions?

Senator BURDICK. No questions.

Senator MCCLURE. Thank you very much, Senator.

Senator WILSON. Thank you, Mr. Chairman.

PREPARED STATEMENT

Senator MCCLURE. I appreciate it. Senator Cranston has asked that a prepared statement be entered at this point, and it will be entered at this point.

[The statement follows:]

STATEMENT OF HON. ALAN CRANSTON, U.S. SENATOR FROM CALIFORNIA

Mr. Chairman, I appreciate having this opportunity to provide the Senate Appropriations Committee Subcommittee on Interior and Related Agencies with my views on the Fiscal Year 1985 Interior budget -- in particular funding for the Santa Monica Mountains National Recreation Area, the Channel Islands National Park, the Lake Tahoe Basin, and OCS leasing activities off the California coast. As you know, I've long had an interest in protecting the scenic and natural values of all four of these areas.

First, I am very pleased that the Reagan Administration has recognized the priority of the Santa Monica Mountains National Recreation Area and for the first time has included monies -- $5.89 million -- in the National Park Service budget to continue the land acquisition program in the Santa Monica Mountains. As you will recall, Congress previously has appropriated $57 million of $125 million authorization for the Santa Monica Mountains NRA, and to date 7,700 acres have been acquired.

The $13.2 million which remains of the FY 1984 appropriation, I understand, will be used to purchase some 68 parcels in Zuma and Trancas Canyons (3,500 acres at $9.4 million), the Quaker Corporation land (276 acres at $1.745 million), and about 10 other tracts (303 acres at $1.9 million). An additional $5.89 million as provided in the Reagan FY 1985 budget would permit acquisition of 50 additional tracts in Zuma and Trancas Canyons (1,700 acres).

Actually the National Park Service could effectively use $36.4 million in FY 1985 to purchase Santa Monica lands. The Park Service needs $12 million to complete the Zuma and Trancas Canyons acquisitions, the agency's highest priority in the Santa Monica Mountains. These two coastal canyons represent a significant ecological area and are prime for activity sites, hiking and camping. The acquisition also would bring into the park the southern leg of the Backbone Trail and Zuma Canyon Ridge. Another high priority for FY 1985 is purchase of the 320 acre Oren Realty property, estimated at $5 million. The Oren Realty land has some of the finest stands of native California oak and would provide excellent access to Cheesboro Canyon, 1,800 acres immediately to the north and already part of the national recreation area. The Claretville property owned by the Church Universal and Triumphant comprises 214 acres estimated at $12 million. This property is probably the most important land for public use in the entire Santa Monica Mountains. The National Park Service is presently conducting an appraisal of this parcel. If the property were sold to someone other than the federal government, it likely would be developed for single family housing. The Leo Carrillo/Rancho Sierra Vista Connection, comprising 1,300 acres estimated at $6.9 million, is another Park Service priority. It includes some of the most spectacular mountainous scenery in the national recreation area and the very western end of the Backbone Trail. And the Park Service needs $500,000 in FY 1985 to acquire threatened trail corridors which are essential for public enjoyment. Thus, I hope the Subcommittee will be as generous as possible regarding monies for the Santa Monica Mountains.

The Channel Islands National Park was established in 1980 and includes Anacapa and Santa Barbara Islands (previously designated as a national monument), San Miguel Island (owned by the Navy), Santa Cruz Island (the majority of which is owned by the Nature Conservancy) and Santa Rosa Island (entirely privately owned). The authorizing legislation provided that Santa Rosa Island be acquired as "expeditiously as possible" and that the acquisition of these lands take priority over the purchase of other privately owned lands within the park. The owners of Santa Rosa Island generally supported the park legislation with the understanding that their property would be acquired quickly after passage. National Park Service purchase of Santa Rosa Island indeed would be a great asset to the park system. The 53,000 acre island is the second largest of all the Channel Islands and has a diverse ecology. It is one of the two places in the world with stands of Torrey Pines and is most important to harbor seal pupping. Because of its size and rolling topography, Santa Rosa has greater potential for recreational use -- hiking and camping -- than the other Channel Islands in the park system. The National Park Service in September 1983 published the draft Land Protection Plan for the Channel Islands National Park and the final Land Protection Plan is due shortly -- in March. The Park Service this month started the appraisal of Santa Rosa Island, and it is expected to be completed in 120 days. Thus, the Park Service should be in a position to proceed with the acquisition of Santa Rosa Island in FY 1985. I would like to urge the Subcommittee to provide whatever sums are necessary for this purpose within the $30,100,000 authorization for the Channel Islands National Park.

I also would like to encourage the Subcommittee to continue appropriations for the Forest Service land acquisition program in the Lake Tahoe Basin at the current $10 million level. Continued availability of Burton-Santini Act funds would permit the Forest Service to proceed with purchases of environmentally sensitive lands in the Tahoe Basin. The authorizing legislation also provides for erosion control and watershed restoration work at Tahoe with the level of funding fixed at 15 percent of the previous year's appropriation for local government efforts and 5 percent of the previous year's appropriation for the Forest Service -- in FY 1985 $1.5 million and $500,000 respectively. I hope that the Subcommittee will be able to accommodate funding for the Lake Tahoe Basin as well.

Finally, I urge the Subcommittee to prohibit expenditure of FY 1985 funds for leasing activity on certain parts of California's Outer Continental Shelf (OCS), in keeping with the final version of last year's Interior Appropriation Bill. Specifically, I request that the Subcommittee insert language in the FY 1985 appropriation bill prohibiting the Interior Department from conducting lease sales from Morro Bay north to the Oregon border and in specific areas off southern California, including the Santa Monica Bay, the Channel Islands National Marine Sanctuary, the Santa Barbara Ecological Preserve and along the San Diego coast.

Congress in its wisdom has exempted these areas from overzealous oil and gas leasing by Interior three times in the past. The leasing bans I'm advocating have the support of 25 members of the California delegation and the overwhelming majority of affected California counties and municipalities, many of which rely on recreation-based industries and commercial fishing for their livelihood and consider massive oil and gas development as incompatible with their interests.

The bans I'm proposing would not affect existing production nor preclude leasing where oil recovery potential is high, such as in the Point Arguello field, estimated to contain 80% of the recoverable oil resources off California. Rather, the bans would protect only those areas where resource potential is low and environmental risks high.

As Congress recognized in the FY 1984 Interior Appropriation Bill, leasing in these areas makes no economic sense. It would risk destroying far more valuable economic interest to prospect for oil where energy resource estimates are low.

It makes no environmental sense. It would threaten the air quality and the ecology of an especially vulnerable region.

And it makes no energy sense. It would depress the amount of revenues the public will receive for leasing public lands at a time when the West Coast -- by oil industry estimates -- will be glutted with an over supply of crude oil for the foreseeable future. At this very moment the oil industry is clamoring for Congress to allow export of Alaskan crude to relieve the West Coast oil glut. Moreover, the Department's most recent lease sale off central California, which cost the government more to administer than it received in bids, only underscores the need to proceed in a prudent manner with OCS development. I again urge the Subcommittee to maintain the OCS leasing bans off portions of the California coast.

Thank you for your careful consideration of all these matters.

DEPARTMENT OF THE INTERIOR

SECRETARY OF THE INTERIOR

STATEMENT OF HON. WILLIAM CLARK, SECRETARY OF THE INTERIOR

INTRODUCTION OF ASSOCIATES

Senator McCLURE. We will now move on to the Department of the Interior, where the Secretary will present its budget request.

Secretary CLARK. Thank you, Mr. Chairman, and the committee. I will submit my statement without reading. I merely wish to highlight it, and I accept your offer to introduce those who are with me today to go into any particularity that you may request concerning that budget.

First of all, our Director of Policy, Budget, and Administration, Dick Hite, and sitting next to Dick is our new Director of the Minerals Management Service, a career professional we're very proud of—in the short time he's been in charge of MMS these past weeks, we've had some very interesting changes—and that's Bill Bettenberg, if he would stand. And to Bill's right, is Dave Brown, Director of Congressional Relations for the Department of the Interior, and Joe Gorrell is back there somewhere, in charge of the budget.

PREPARED STATEMENT

Senator McCLURE. Mr. Secretary before you proceed to summarize your statement, we will insert your prepared statement in the record.

[The statement follows:]

STATEMENT OF WILLIAM CLARK

I appreciate the opportunity to appear before you today in support of the President's FY 1985 budget for the Department of the Interior.

The 1985 Interior budget totals $6,490 million in gross budget authority, a decrease of $104 million below the 1984 level. The amount requested for the Department's discretionary programs is $51 million below 1984 levels. Mandatory programs decrease by $53 million. We are asking the Subcommittee to consider favorably our request for $3,982 million in new budget authority in 1985, a decrease of $151 million below the 1984 level.

We estimate that 1985 receipts from all Department programs will be approximately $10.3 billion, $7.4 billion of which will be from oil and gas leasing on the Outer Continental Shelf. These total estimated receipts will be almost $4 billion more than our total budget request.

The 1985 budget for Interior programs is tailored to promoting basic priorities, while reducing expenditures for less essential activities. Our budget proposals provide funding for land acquisition in national parks and wildlife areas, for five "new start" Western water projects (three to begin in 1984 and two in 1985), and for increased grants to States from the Abandoned Mine Reclamation Fund.

Land Acquisition

I believe it is now appropriate to resume Interior's requests for funding the acquisition of lands for parks, refuges and wetlands.

The 1985 budget provides a total of $157.5 million, all from the Land and Water Conservation Fund, to support new Park Service and Fish and Wildlife Service acquisitions. Of the total request, $100 million, $7.5 million more than the 1984 appropriation, is budgeted for land acquisition at National Parks to help round out existing areas. A total of $57.5 million is requested for Fish and Wildlife Service acquisitions -- an increase of almost 36 percent above the 1984 appropriation.

Park Restoration and Improvement Program

This Administration has emphasized a five-year program for upgrading and restoring our National Parks. The 1985 request of $257.3 million brings the four-year total for the Park Restoration and Improvement Program to $994 million, virtually attaining the $1 billion target a full year ahead of schedule.

Refuge Management

The 1985 budget includes $15.9 million for the second year of the Accelerated Refuge Maintenance and Management (ARMM) program, an increase of $1.3 million, to repair deteriorating facilities and improve resource protection and management within the National Wildlife Refuge System. An additional $6 million is requested for the Fish and Wildlife Service to undertake a new research and demonstration program designed to restore acidified lakes and sport fish habitat.

The budget also proposes an increase of $3.3 million over the amount provided in 1984 for the Service's endangered species program, including additional funds for accelerated listing, implementation of recovery actions, research and development, law enforcement, and grants to States to expand and supplement their recovery actions. In addition, the budget includes $12.4 million for research on and monitoring of the effects of contamination of fish and wildlife resources by various pollutants, an increase of $1.9 million over the 1984 appropriation.

Water Resources

Although the budget for the Bureau of Reclamation does not fall under the jurisdiction of this Subcommittee, I will quickly mention its major features in order to provide a comprehensive view of our overall request.

The President's budget includes funds for five new construction starts; three in 1984 and two in 1985. We are submitting a 1984 supplemental which would permit us to start the enlargement of Buffalo Bill Dam and Powerplant in Wyoming, initiate construction of power generating facilities at Headgate Rock Dam for the Colorado River Indian Reservation in Arizona, and begin construction of the Santa Margarita Project to augment southern California water supplies including supplies for the Marine Corps' base at Camp Pendleton. The 1985 new starts include the uprating of existing generators and construction of other facilities at Hoover Dam in southern Nevada, and the enlargement of Palisades Powerplant on the Snake River in southeastern Idaho. The costs of these proposed projects will be shared with local beneficiaries, consistent with the President's recently announced cost sharing policy.

The total 1985 budget request for the Bureau of Reclamation's discretionary programs is about $1.1 billion, an increase of $113.7 million over 1984 appropriations.

Surface Mining

The 1985 request for the Office of Surface Mining is $361.4 million, an increase of $24.7 million over the 1984 appropriation. The Department's commitment to successful implementation of the Surface Mining Control and Reclamation Act of 1977 has four major elements. First, we are committed to State primacy in both the regulatory and reclamation programs. Second, we are committed to providing to States those resources needed to carry out their approved regulatory programs. To this end, our proposed 1984 supplemental of $4.8 million includes funds to enhance the Office's capability to assist States in meeting repermitting workloads. Third, we are committed to an oversight role in which we work closely with States to ensure conformance with the regulatory intent of the Act. Finally, the Department is committed to ensuring the rapid reclamation of previously mined lands, using fees collected for that purpose. We are, therefore, requesting $291.7 million for the Abandoned Mine Reclamation Fund program in 1985.

Offshore Oil and Gas Leasing

Earlier this year, I announced a number of changes in the Outer Continental Shelf (OCS) leasing process. These changes are intended to allow appropriate exploration and responsible development of OCS oil and gas resources, as mandated by law. We will make a concerted effort to increase State and public participation and to resolve State, environmental and military conflicts early in the leasing process. Industry will be asked to define more precisely, and earlier in the leasing process, the areas of particular interest. The 1985 budget provides $103.2 million for the leasing program, a decrease of $5 million from the 1984 appropriation. The decrease primarily reflects efficiencies in the supervision of operations and a reduction in the need for additional geologic and geophysical data to supplement the existing data base.

Onshore Oil and Gas Leasing

In early November, the Department suspended the Simultaneous Oil and Gas (SIMO) leasing program immediately after the discovery of procedural irregularities regarding the classification of lands for competitive versus non-competitive leasing. Although the problem was limited to the State of Wyoming, the entire program was evaluated.

Following review and study of available options, in January I reinstated the SIMO program with certain modifications. I am confident that the steps we have taken provide assurances that the SIMO program will be not only well-managed but also the most efficient means to stimulate oil and gas development on lands not falling within a Known Geological Structure (KGS).

The 1985 request includes $43.2 million for the overall onshore oil and gas leasing program, an increase of $6 million. The increased funds would be used primarily to build up inspection and enforcement activities, partly in response to the Federal Oil and Gas Royalty Management Act of 1982, and for such pre-lease activities as the review and classification of KGS's.

Revenue Sharing

States and counties are expected to receive $662 million from Interior in 1985 as their statutory share of receipts from such sources as mineral leasing, timber sales, and grazing fees within their borders. This will be $105 million less than expected distributions in 1984, when States will receive their share of 17 months of Federal mineral leasing receipts as the result of a one-time-only shift from semi-annual to monthly payments.

Payments in Lieu of Taxes

The Administration is requesting $105 million for the Bureau of Land Management's Payment in Lieu of Taxes (PILT) program to fund payments to counties containing non-taxable Federal lands. This will provide full funding under current statutes.

Territorial Affairs

After lengthy negotiations, the governments of the Federated States of Micronesia (FSM) and the Marshall Islands have signed and ratified a Compact of Free Association, which has been approved in local plebiscites. During the next few weeks, the Administration plans to forward the Compact to the Congress for approval on behalf of the FSM and the Marshall Islands. If the Compact is approved by Congress, the FSM and the Marshalls will become Freely Associated States. As the political status negotiations with the Republic of Palau have not yet been completed, Palau is not covered by the Compact that Congress will be asked to approve. The total 1985 request for Territorial Affairs is $150 million, of which $96.1 million is for the Trust Territory.

Indian Affairs

One year ago, the President announced a policy to foster Indian self-government and to strengthen reservation economies. In carrying out this policy, the 1985 budget includes $10 million to fund the Economic Development Initiative, a program which has successfully attracted private sector investment. Additionally, we are committed to providing quality education for Indian children who attend Bureau of Indian Affairs schools. Funding proposed for school operations will increase the amount spent per student over the amount spent in 1984.

We intend to move quickly to meet commitments in Indian water rights settlements. A 1984 supplemental of $17 million is requested for the Ak Chin settlement, and $4.3 million is requested in 1985 for the Papago settlement.

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Throughout my tenure, the Department of the Interior will maintain a policy of maximum openness in an effort to make the Congress and the public fully aware of the Department's policies and programs. I will also seek your counsel and advice, and encourage your open and frank communications.

HIGHLIGHTS OF INTERIOR BUDGET AND PROGRAMS

Secretary CLARK. And so with that, I might just make a few observations concerning the proposed budget. When I last appeared before you, I pointed out that the President had asked me to review what he termed the "three P's": personnel, process, and policy. That's been substantially completed, and while I came on the 11th hour of the budget preparation, those three P's have had their effect. As you pointed out, our proposed budget is about $6,490 million, roughly $104 million below last year's budget, and we feel it's a tight budget. We hope that we can keep it so, but it's been, as I say, affected by some reorganization.

I've reorganized or realigned, at least, 6 of the 10 bureaus of Interior, trying to align on one hand, water and science under Bob Broadbent, who is Assistant Secretary Designate, formerly Commissioner of Reclamation. Under Bob—and we have been operating for 2 months, under this realignment—we have not only Reclamation but the Bureau of Mines and the U.S. Geological Survey. The other most active Secretariat, from the standpoint of management is headed by Garrey Carruthers—we have the Bureau of Land Management, MMS, and the Office of Surface Mining under that Secretariat. We think this is going to offer better management, more economies, and more efficiencies in handling the budget that you ultimately give us.

We thank you for your quick action in confirming Anne McLaughlin, as the new Under Secretary of the Department of the Interior, and Rick Montoya, on the same day, as Assistant Secretary for Territorial Affairs. Shortly you'll be considering names for Solicitor and for the Office of Surface Mining.

That covers the process and the personnel side—I might add, in my own confirmation hearings, I heard from your good committee the concern over, what was termed at times, autonomy among the 10 bureaus. I have taken that concern, and I believe resolved, or should have, some of it. We meet each morning, board of directors style, each one of those bureaus represented, in a give-and-take 1-hour session in which decisions are taken, and much as then-Governor Reagan ran his cabinet in Sacramento, and as President Reagan runs his Cabinet here, we move around the table involving each principal in every issue, whether that issue falls within that person's direct responsibility or not.

So we hope that communication has improved, both internally and externally, as it relates to the Congress, the press and varying interest groups.

Moving on to that third "P," policy, we have taken, I believe, many substantial decisions in the area of OCS leasing. As has been pointed out, we have not only a new manager in that area, but we have a new process which we might characterize as front loading the 22-month leasing process, allowing far greater early consultation with local governments and with interested private citizens, congressional consultation, attention to Defense Department concerns, and, probably most importantly, candor and communication from industry in trying to be a little more explicit in their new interests within a designated area.

So far we find that the new process is received well by all of those that I have named who should be concerned.

In the area of land, both on the acquisition side and disposition side, we have also moved. The proposed budget calls for $157 million for land acquisition in Parks and Fish and Wildlife, plus, we hope, a lot of innovation this year in the acquisition of easements, leases and other innovation toward providing park, fish, wildlife, and wetland usage without direct payment for the fee interest.

In the area you might call efficiencies and economies, we have proposed that our tourist—not tourist, our Travel Office, we have no tourist office. [Laughter.]

Travel Office be closed, and that some six printing offices be closed, utilizing our central printing for the printing that we need. We are also reviewing consolidation among some of our 1,300 offices nationally, certainly in the ADP area, a review the President shall expect across the board in the executive branch.

This budget calls for 72,833 employees. The 72,000-plus is down from approximately 90,000 employees in the Department of the Interior budget request 3 years ago.

We've also taken decisions, as you know from the consultation that we've had with you, in the area of simultaneous leasing onshore, and also in the land acquisition area. In the area of inventorying our national assets, we have a first ever combination of USGS and Reclamation, and that is a national water summary, which we expect to update each year and which we're very proud of. I would commend it to you to show what our situation is nationally, State-by-State, in the water area. We find we have an abundance, but it's not without its problems, its troubles, and its concerns, that we'll be dealing with this year.

Another factor I might mention in opening, Mr. Chairman, again under the heading of water, is that we have not had a new major water start in 7 years. In the 1984 supplemental, we have asked for three water starts. In our 1985 budget, we have asked for two. Two of those in the 1984 supplemental have been authorized. The third, the Santa Margarita project, has not been. We feel, however, that all three meet the criteria of need, environmental and economic feasibility, local interests and cost sharing.

While on the area of cost sharing, I might add that on January 24, the President reaffirmed the administration's policy in water development, particularly cost sharing as it relates to the planning of water projects, construction of water projects, and dam safety. I can go into that in more particularity later.

In summary, it's been a rather exciting time at Interior, and it's going to be a very busy year. I assure you, we will proceed in total consultation with this and the other relevant committees.

Senator McClure. Thank you very much, Mr. Secretary. In view of the time and in view of my voice, I'm going to submit most of my questions to you for a response in writing, and these concern the oil and gas leasing program, the land consolidation, the acquisition of mineral rights in wilderness areas, and the acid lakes demonstration project. All of those are matters of great concern to us, as are many others. There are, however, a couple of questions I would like to highlight.

REPORT ON COAL LEASING

You've just received the Linowes Coal Commission report. Do you have any reaction to that report, as yet?

Secretary CLARK. Senator McClure, it's been a week today that we've had the report, and I'm going through it slowly myself, as well as having it reviewed by a task force. As you're aware, I have 30 days in which to complete my review, consultation and recommendations. I intend to meet that commitment well within the period of time, but not even to my own staff have I yet given my impressions, until I have completed my own personal work.

The entire Commission came in last Friday afternoon, and were unanimous as they handed me the report. I was very happy to receive it, and I'm very confident it's going to affect our entire approach to that area of responsibility.

Senator MCCLURE. We'll look forward to hearing from you when you've had an opportunity to review it further and make some recommendations, perhaps, based upon that review.

STATE GRANTS FROM THE LAND AND WATER CONSERVATION FUND

Mr. Secretary, in your statement, you made no mention of the State grants from the Land and Water Conservation Fund. In earlier testimony before the Energy and Natural Resources Committee, you stated that the reason for not requesting additional funds was States were slow in spending the funds that have been provided in prior years.

We have always focused on the distinction between the amount that was made available and how much was obligated or remained unobligated. And we've done that because the program funds have largely been obligated, although they may remain unexpended for a while. This is primarily because the funds are actually reimbursed to the States after the States have expended their own funds to accomplish the work. If we simply look at the unspent funds, we will create a 1-year gap in the program, at best.

Taking this into account, have you taken a look to see how much remains unobligated as of the beginning of fiscal year 1984, and of that, how much remains unexpended?

Secretary CLARK. I believe it's $33 million unobligated, Mr. Chairman, and $334 million unexpended.

Senator MCCLURE. Taking that into account, are there other substantive reasons to recommend zero funding in fiscal year 1985 for that program?

Secretary CLARK. No; no other substantive reason.

Senator MCCLURE. There's been a very large backlog of State demand, and we'll take a very close look at that as we go through this area.

Secretary CLARK. I understand that, Mr. Chairman, and I'm looking at it myself, I assure you.

TRUST TERRITORY OF THE PACIFIC ISLANDS

Senator MCCLURE. Mr. Secretary, we have a problem with respect to the Trust Territory of the Pacific Islands, and the responsibilities we have under that Trust status, as we seek to move from there to a compact of free association. The compacts are pending. Some may be acted upon by the Congress.

I have a rather long narrative that underscores some of my concerns, and I know Senator Johnston has shared those concerns. I want to focus on just one aspect of that problem, and that is that even under the compact, and under the budget submissions that you have, there is a great deal of programmatic money available for expenditures in those territories, either before or after compact are ratified.

And yet the administration insists on suggesting that the State Department will be the primary organization to administer. I know that the State Department is out there telling those people in the trust territory, we know you think the Department of the Interior's messed up over the years. Just help us get the authority in the State Department, we'll give you all the money you'll need.

At the same time the State Department doesn't have any expertise at all in administering programs of the nature that must be administered after the compacts are agreed to. I hope it's clear to others in the administration, as I am sure it is to you, that we're going to be very slow in looking at compacts until this issue is resolved within our own administration.

I think it would be a terrible mistake for us to assume that the Department of State can administer ongoing programs of the nature that we have in those areas. They have no track record, and certainly whatever track record they have is miserable. And while the people out there may not have always thought that the Department of the Interior was terribly good at it—I've shared that criticism—they would not find that it's any better under the Department of State.

I'm very much concerned that the only way to make it work, if the State Department takes it over, is to make a block grant of *x* numbers of dollars and leave it up to them to spend or use as they see fit, with absolutely no supervision from us.

Is that the direction we're headed?

Secretary CLARK. Mr. Chairman, I first reviewed this issue as Deputy Secretary of State, when it was determined that State should be the lead agency in the compact activity in close cooperation with the Department of the Interior, and that has been the situation now for 3 years. Ambassador Zeder, has the lead of the State activity. The Department of the Interior has not really had that much to do with the negotiation of the proposed compact. But the President will be sending the proposed compact, covering the Federated States of Micronesia and the Marshalls, on up here, I think within 2 weeks.

Yesterday I saw the proposed letter of transmittal. I did find some problems with it and will be making some comments on that proposed correspondence. Of course, our system of government calls for, as you suggest, close scrutiny by Congress of such proposals, and I think the President expects no less.

So whatever direction the process takes, once the compact is presented here, we will be available. And certainly, I would expect State to be, because they have had not only the lead, but one might say, most of the action in its negotiation.

So the two departments will work together, and with you, hopefully, to answer the questions you may have.

Senator McCLURE. Mr. Secretary, I don't mean to belabor it, but we had long discussions with the administration last year on this issue, and I thought they understood what this committee and the Committee on Energy and Natural Resources and the companion committees in the House had said about this. And yet I see, rather than any accommodation to the views, an almost total disregard of the views expressed by the Congress.

That's not the way to get a compact approved up here. I know that you haven't been involved in that personally and directly, but frankly, if I can't get the Department of State to listen, I have to ask you, in the strongest terms possible, to try to use your influence to try to get the Department of State to listen. I've talked to Ambassador Zeder until I'm nauseous, and I suspect he is too. He's a very good diplomat: he tells us nothing. [Laughter.]

And as a matter of fact, he goes right ahead and does what he intended to do in the first place. And I'm sick and tired of it.

Secretary CLARK. All right, Mr. Chairman. On that basis, you have my commitment for more Interior involvement. Interior is primarily involved in carrying out its traditional role within a carefully prescribed budget, and we intend to continue fulfilling those duties until the Congress should decide otherwise. On the earlier question of who should be the lead agency if the compact is affirmed, both here and at the United Nations, that should be an issue for discussion, and I'm confident that you will speak to that as well.

BUREAU OF INDIAN AFFAIRS

Senator McCLURE. Mr. Secretary, I have a number of other questions, and particularly a couple dealing with your review of BIA. I hope you will give us some detailed explanation of how you view it at this point in time, and where you think we may go. And in that review, I would urge you to look at the possibility of forward funding of certain of the education programs, as is done by every other Federal agency with respect to education programs. BIA is the only one that does not, I believe.

Secretary CLARK. That is correct, Mr. Chairman. Do you wish me to comment on that now?

Senator McClure. You may, if you wish.

Secretary Clark. Yes; the so-called forward funding concept, particularly in education, allows just that, forward planning. It is the Bureau's hope that that can be implemented.

The general area of education among the Indian nations is a real concern to me. Having been to the Navajo and Hopi areas in New Mexico a week or two ago, I share the concern of many of your colleagues. I discovered, among other things, that in our history there has never been an attempt to develop even a modicum of standardization of curriculum or general standards in Indian education. And I was pleased to find that that concern was shared by the Indian leaders, not only in education, but the chairmen of their respective tribes. We will soon be transmitting a proposal for standardization to OMB and for review by anyone desirous of seeing it up here. Senator Goldwater has shown great concern for this.

In the area of education, as well, we are looking at further transfer of schools—and one closure, as you're aware, in the State of Utah, which is backed by the entire Utah delegation—as we move toward upgrading standards and availability of Indian education. That's high priority.

Also in BIA, we're very concerned about the ADP issue, as you may be aware. I think we're getting on top of that, working with both Houses, as well as internally. Indian housing is another grave concern, which we'll be conferring with HUD on. There's some 57,000 Indian dwellings that are considered less than habitable.

So I'll certainly remain in communication with you on that general issue.

Senator McClure. Thank you very much.

Senator Johnston.

Senator Johnston. I thank you, Mr. Chairman.

TRUST TERRITORY ADMINISTRATION

Mr. Secretary, I'd like to underline in red pencil what Senator McClure said about the trust territory. Since 1979, he and I, along with the late Scoop Jackson, have been negotiating on that matter. Every time we think we have an understanding and agreement, along comes a new iteration out of mainly the folks at the State Department. I think it is fair to say that we have minimal regard for the State Department's handling of this issue.

I think it is also fair to say that this is one we're prepared to fall on our sword on. The State Department crowd has been anxious to give away Micronesia, that is, to make it independent or to move in that direction. And we keep having another meeting and another meeting, and they keep trying to, you know, let the United Nations decide it, or whatever. And we just—I think it's fair to say, we just don't intend to let that happen.

So I want to very strongly support my chairman on that issue.

ATCHAFALAYA BASIN PLAN

Mr. Secretary, I don't know whether you're familiar with the Atchafalaya basin in Louisiana. It's one of the greatest stands or privately owned hardwood left in North America. It's a wonderland of wildlife and flora and fauna and timber and all those great things. It's an environmentalist's delight, as well as a hunter's delight, a naturalist's delight, conservationist's delight. It really is one of the few areas in the country, I think, where the black bear still is. It's a terrific area.

We've been working in Louisiana on a plan to preserve large areas of the Atchafalaya. Some is total wetlands, floods too much to be used. Some is rather dry. Some can be used for soybean farming. Some has very valuable timber on it.

Governor Treen has worked out a plan in the Atchafalaya, part of which is to preserve some 100,000 acres in the northern section, which has access from I-10, can be used by literally thousands of people. Part of the plan was to have Dow Chemical donate some 54,000 acres, which they have done. The State of Louisiana put up $12.7 million last year to acquire another very key area of 10,232 acres. They're prepared to acquire lands next year. There is some 58,000 acres that have been identified as being able to be sold by willing sellers.

Part of the Treen plan was to have a 3-year period within which they could acquire this land. The sellers agreed not to sell for some 3 years, that agreement ending on September 30, 1985. Now thus far, we haven't been able to get any action on the part of the Federal Government. We've gotten recommendations out of General Bratton that the Federal Government put up $34 million, by General Wall, with the Corps of Engineers, that they put up $25 million, the two differences being the scope of the acquisition, how much would be able to be acquired. Thus far, we've had no plan, because there hasn't been, among other things, an authorization yet.

Now I have an idea that we can use this wetlands acquisition legislation that is moving through the Congress now, its primary jurisdiction in environment and public works. It's moved out of that, and it has now come to this committee.

Do you think it would be appropriate to use that wetlands acquisition to put on a discrete amendment with respect to the Atchafalaya? Authorize that acquisition. Do you think that's a good plan, and if not, do you have another plan to help on Atchafalaya.

INTERIOR DEPARTMENT SUPPORT

Secretary CLARK. Senator, I am aware of the Atchafalaya project. I've been in communication with Governor Treen as recently as yesterday, and recognize the amount of time that he has put into the proposals. Certainly, you have too. And in principle, in concept, I wish to certainly put the Department behind this. It seems to be a model from the standpoint of what can be done through a partnership of State and Federal Government, to attempt to save, literally save, that wetland area for migratory and other birds particularly, but as you say other animal life as well. So we are committed to it. As I understand, we're talking about a roughly $25 million proposal, at least the Federal share which the State will match to the same extent, for fee acquisition. But as you pointed out, we're also talking about hundreds of thousands of acres beyond the 50,000 to be acquired in fee, which will be utilized through easements and other innovations that I mentioned in my opening statement, and that I think we must utilize in this period of austerity and high deficits.

So the answer is a definite yes. As to how to handle it budgetwise, and in which budget, I have already asked for OMB's position. I've also attempted to determine the relationship with the corps, which will have the much greater part of this, conceivably a $1 billion project, by the time that it's over. I understand that the corps has not made a recommendation yet.

If you'd like, I will continue to probe that end of it. But whatever the corps does, we have determined at Interior that we can break out the wetlands aspect and proceed with or without the Corps of Engineers' planning. As to when, where and how, dollarwise, I have no recommendations today. But I will be very pleased to work with you on it, because it seems to be a model approach that's been worked out primarily by Governor Treen, on a State/Federal plane that should really work. Well, in addition to, as you say, the Dow contribution, which is substantial. So I hope that we'll remain on top of this and work with you toward its resolution.

Senator JOHNSTON. Well, the $25 or $34 million—I heard you say $25 million, and we'd probably settle for that, if we were going to compromise, if you could give that to us today. We'd like the $34 million. [Laughter.]

But the actual appropriation of the money is something we can deal with in this committee and the Congress and with you and OMB at a later time.

NEED FOR AUTHORIZATION

Our problem at the present time, is what do we do about an authorization. There are two schools of thought. One is that this acquisition would not take an authorization, that simple report language in the appropriation bill would do it. It would do it, if the Department of the Interior said it would do it and was prepared to respect that approach.

Do you have a view on that, as to whether an authorization is required?

Secretary CLARK. I don't see, in our present proposal, how we could do it outside of an authorization. I'd like to go back to OMB and look at options, Senator, if I may and perhaps get back to you with their view. The $25 million is the only figure that I have seen on a matching basis with the State for the fee acquisition, and that possibly over a 3-year period, under some type of purchase option.

Senator JOHNSTON. I certainly know it would have to be extended over a period of time. Really, there are two time limits here. One is the

September 30, 1985 agreement limit with Governor Treen, but a much more limiting factor is the fact that we now have, I think, for a period of 30 days, this wetlands grants legislation here in this committee, and if that were appropriate, I would—and you would concur, I would certainly like to add that on as part of that, because I think it is exactly down the intent of that legislation, that is, Federal/State cooperative acquisition of wetlands area. That's exactly what the Atchafalaya is. It's probably, as I say, the most valuable wetlands area yet to be acquired in the country.

So we have only—how many more days? We had a 60-day referral, and I think we have 45 days left on that referral, and not that many days for hearings and markups on it.

Secretary CLARK. All right. Well, if I could have until early next week with our people and with OMB, I'd like to get back to you on the authorization question.

Senator JOHNSTON. I think I hear from you, though, that you're anxious to work out a way to get it onstream. You recognize the budget problems, but you're hopeful about being able to work those out and get the program started this year? Did I hear that?

Secretary CLARK. Senator, I'd like to get it started this year. In my view, it meets all criteria for State/Federal/private sector acquisition, and it's just a question, in my mind, of how do we do it?

Senator JOHNSTON. Mr. Secretary, I think I better quit while I'm ahead. [Laughter.]

I appreciate very much your interest in this project. I know you have studied it, and I know you've talked, as you say, yesterday, to Governor Treen. You and I have talked about it, and we appreciate it very much, and we'll be looking to work with you to work out a means of doing this.

If I may turn the chair over to Senator Burdick, and say thank you very much.

Senator BURDICK. Well, welcome back again, Mr. Secretary. I must say that I'm impressed. You've come into this game in the third quarter off the bench, and you have a pretty good grasp of the problems we're facing in this committee.

I have one or two questions here. One dealing with the water project and one dealing with Indian lands.

GARRISON DIVERSION UNIT

Earlier this week, we had the opportunity to discuss the Garrison Diversion project. And again, let me say that you have used good judgment by requesting $53.5 million for the project in the fiscal 1985 budget. Each year there is a great deal of discussion about the costs of the project. What is hardly ever mentioned is that about 90 percent of the project's costs will be reimbursed by power revenues, municipal and industrial water users and irrigators. Of course, the nonreimbursable items are such things as flood control, recreation, wildlife enhancement, and so forth, which are to the benefit of the whole Nation.

Last year, during the discussion on the Senate floor about Garrison, I pointed out that in fiscal year 1982 alone the power revenues from Pick-Sloan dams was about $85 million. And, according to the Bureau of Reclamation, we find that since electricity first came from Fort Peck in 1943, the U.S. Government has received $1.4 billion from cumulative sales of power. And of course, these revenues will flow into the Treasury for years to come.

Can you bring us up to date on the most recent income from this sale of hydroelectric power in the Pick-Sloan area?

Secretary CLARK. Senator, if my figure is wrong, I'm sure I will be corrected by the back bench, but I think it's $120 million from hydroelectric power during the last fiscal period. You mentioned 90 percent for return of all Federal dollars, but I'd heard that it was as high as 95 percent.

Senator BURDICK. I'll take that.

Secretary CLARK. I will, too, if it works out. But it's been, in our minds, a good project, and the result of old commitments that preceded my time at Interior. So we hope that it will go on to the next increment. The $53 million in the proposed budget this time around will keep a very fine project moving forward.

Senator BURDICK. So many times detractors of the program talk about the cost. And here we find that this project will actually pay for itself and, I believe, return money to the Treasury at the end. Now the only thing that's not reimbursable, as I said, are things that are for the benefit of the Nation. Wildlife mitigation, flood control, which benefit all those people downstream. Those are factors that are a benefit to the Nation, it's repaid by the Nation.

Secretary CLARK. I certainly concur, Senator.

Senator BURDICK. But as you say, the reimbursable goes as, you say, 97 percent in some cases?

Secretary CLARK. I believe that's so. One second. Between 90 and 97, according to my sources.

Senator BURDICK. Between 90 and 97; all right.

INDIAN TRUST LANDS

Now a question on policy on Indian trust lands.

Over the years, the Federal Government's policy on Indian trust land has varied, and most recently the 97th Congress passed major legislation on lands consolidation. The Land Consolidation Act will slow the rapid erosion of Indian land base, but will not address all land-related issues. Since at least 1790, Indian tribes have not been able to sell the land without the consent of Congress. Individual tribal members, however, can request a fee patent title and sell the land with the consent of the Secretary of the Interior without consideration of tribal interests.

Can you explain the administration's policy with regard to granting fee patents to individual tribal members and provide for the record how many of these fee titles have been granted since 1980?

Can you discuss what impact this policy has had on Indian trust land, and if there is any consideration being given to change the current policy to give the tribes preference in purchasing this land?

Secretary CLARK. Senator, I would like to take the four parts of your question and allow that to stand submitted and get back to you by the first of the week, if I may. That's going to require some study, as you suggest, back to 1980.

[The information follows:]

FEE PATENTS FOR INDIAN TRUST LANDS

The issue addressed had its genesis in the various allotment acts of the late 1800's. The allotment acts divided tribal land holdings into small parcels and allotted them to individual members. The intent of the allotment acts was to make Indians private landowners and assimilate them into the surrounding non-Indian culture. By 1934, Congress had recognized that the allotment process had seriously weakened reservation economies and prohibited further allotment in section 1 of the Indian Reorganization Act (IRA) of June 18, 1934, 25 United States Code 461 et seq.

By the time the IRA was passed, Indian landholdings had dropped from 138 million to 48 million acres. The IRA (on reservations subject to its provisions), in addition to prohibiting the further allotment of reservations, also limited the class of people that could inherit land on reservations, and provided a general statutory authority for the acquisition of trust lands. However, the problems caused by the allotment process, chiefly fractionated heirship and the continued sale of individually owned trust lands, persist. The problems were, as you noted, partially addressed in the Indian Land Consolidation Act (ILCA).

The ILCA, among other things, extends the IRA land acquisition authority to most tribes; allows tribes for the first time to sell isolated parcels or fractional interests in land in order to consolidate their holdings; allows tribes to purchase, over the objection of minority interest holders, highly fractionated heirship lands; allows tribes to establish criteria for the devise and descent of property on their reservations; prohibits the descent of extremely small parcels of lands and consolidates these parcels in tribal ownership. The ILCA did not, however, and cannot without violating the fifth amendment, alter the status of individually owned allotted lands.

While these individually owned lands are part of the trust land base, they are not part of the tribal land base. The policy has been, and continues to be, to give the tribes the opportunity to acquire individually owned trust lands when they come up for sale, that is, temporarily withholding action on sales and giving the tribes the opportunity to negotiate the purchase of these lands (see 25 CFR 152.2). There is not, however, any existing legal authority to give tribes an absolute preference for the purchase of individually owned lands and, in essence, force an Indian owner to sell his property to a tribe if he/she does not wish to do so.

Thus, while the current policy does not encourage sales or the issuance of fee patents, it is recognized that individual Indians have rights in their property the same as non-Indians, including the right to sell their property. Under existing sales statutes, if an Indian is competent to manage his/her affairs, he/she is entitled to apply for a fee patent. Assuming an applicant is competent and there are no other compelling reasons for denying the application, the general presumption is that the application will be granted.

It should be noted that despite the continued sale of individually owned trust lands, the net trust acreage has continued to grow in the years since the passage of the IRA. In 1972, for example, there were 10,659,697 acres of individually owned trust lands and 39,750,357 acres of tribal lands. In 1982, the last year for which we have records tabulated, there were 9,881,169 acres of individually owned trust lands and 42,004,906 acres of tribal lands—a net increase of 1,476,021 acres.

There were 331 fee patents approved for 1981, covering 12,470.68 acres and there were 390 fee patents approved for 1982 covering 30,929.91 acres. Figures for 1983 are not yet available.

RESERVATION ECONOMIC UNITS

Senator Burdick. What I am getting at, Mr. Secretary, is that we should not further reduce the economic units of the reservation and try to preserve what we have and perhaps increase it.

Secretary Clark. Yes; I agree with that, certainly, Senator. I think you'll find that in the proposed budget our economic development proposals are double this year from what they were last. It's been a very successful program of matching funds, and certainly what you have just stated is totally consistent with our policy in BIA.

Senator Burdick. You see, the greater the base we can give them, the more they can support themselves. That's the whole purpose of this.

FUNDS TO HELP THE TRIBES PURCHASE LAND

In a related area of interest, I'd like to ask you about Federal assistance to tribes that are interested in purchasing land as it becomes available. Has the Interior Department considered establishing some kind of funding program to help the tribes purchase land?

Secretary Clark. Senator, no funds are proposed for direct purchase, but it might be of interest to you that over the past 4 weeks, we have made some substantial conveyances to the Indian tribes, one being an 811 acre conveyance from the Park Service near Glacier National Park to the Blackfeet Tribe. This was property acquired in 1960 by our National Park Service for airport and similar uses. We determined that we no longer need that property, and it does adjoin the present tribal area, so we did make that a conveyance.

Second, the Havasupai have received, effectively, a conveyance of hundreds of thousands of acres as a result of our ending a 40-year plan to place a rather sizable dam in the Grand Canyon. It's been not shelved, but rescinded and revoked, involving a total of some 500,000 acres. So the Havasupai, plus the National Park Service, are the beneficiaries of what, as I say, effectively will be a reconveyance.

I'm unaware of any plan for individual members, at the moment, to acquire individual fee interest. But it's a concept that I would like to spend a little time on and get back to you, because I'm certain that somewhere in our annals, this has been discussed.

Senator Burdick. I would appreciate it, if you would give it some time, because I am advised that there are pieces of land for sale that could be purchased, but we'd have to work out some kind of a purchase plan in order to accomplish that. So we look forward to what you have to say later.

Secretary Clark. Thank you, Senator.

[The information follows:]

Funding for Tribes to Purchase Land

The only general authorization act which specifically provides moneys for land acquisition is section 5 of the Indian Reorganization Act, 25 United States Code 465. This section authorizes a sum of not to exceed $2 million to be appropriated annually for land acquisition purposes. The last money appropriated pursuant to section 5 was in the early 1950's. The Bureau has not requested funds under authority of section 5 as part of its base budget in recent years, since such a request would reduce funds available for other vital Indian programs and services.

Although tribes have on occasion received special appropriations to purchase land, Congress has not made it a practice to add land acquisition funds into the Bureau budget. Funds are available through the Bureau's revolving loan fund, the Indian Financing Act, the Farmers Home Administration and other Federal programs. The big difference, of course, is that these sources of funding generally require repayment, wheras the funds available under section 5 were spent by the Secretary on behalf of tribes, and did not have to be repaid.

While land acquisition is permitted under Public Law 93-638, section 104(a), grants made for this purpose must be in line with the primary intent of this legislation. Grants under the program are intended to assist Indian tribes in improving their governing capabilities, increase their ability to effectively administer programs under contract, and enable them to provide direction to the Federal programs intended to serve Indian people. Specific guidance for the award of grants for land acquisition is contained in 25 CFR 272.12(c). Within that framework, the vast majority of grants are awarded to meet those essential needs associated with the strengthening of tribal management capabilities. Consequently, a limited number of grants have been requested by the tribes and awarded by the Bureau within the primary intent of the legislation.

OIL AND GAS LEASING ON NATIONAL WILDLIFE REFUGES

Senator McClure. The Senator from Vermont.

Senator Leahy. Thank you. Mr. Secretary, let me cover one area of concern to me, both for its local interest, but also, because I think, it is of nationwide interest. Last year I authored an amendment that prevented the issuance of oil or gas leases on national wildlife refuges, until a generic environmental impact statement was completed and some other actions were taken. I was able to attract some bipartisan support for that amendment. I offered the amendment because I believe that oil and gas drilling in wildlife refuges should be avoided whenever possible. We have enough other areas for oil and gas drilling, and I thought that was one place we shouldn't. Now as a Vermonter, I was particularly concerned about the Missiquoi Wildlife Refuge in Swanton, Vt. I had learned that seismic testing had occurred in the area, that an oil company had inquired about the ownership of oil and gas resources on the refuge. So I was really glad to see, since you came in as Secretary of the Interior that the Department had reversed its earlier position and now, to quote from a press release we had from your office, "has no plans to allow oil and gas activity in the wildlife refuges under consideration."

Can I have your assurance that as long as you're Secretary of the Interior, no new oil and gas activity will be permitted on these refuges?

Secretary Clark. Senator, a little background, if I may, of what I found in my own review of that issue. Within our—or among our 419 refuges, we now have oil and gas and activity of some sort on some 23. And of course, there had been applications made for further oil and gas leasing on refuges, some with and some without present oil or gas activity. I found that the law allows the Secretary to consider such applications, the rule being one of compatibility with refuge objectives, on a case-by-case basis. But I determined, based on potential need and environmental factors, that at this time, there should be no plans and there are no plans to allow new oil or gas exploration or production on the refuges. And I took the next step of asking the Congress to reprogram or otherwise remove the $500.000 appropriation for an environmental impact study to determine whether that compatibility test had been met. I felt I could make that decision without spending another $500,000, and I'd like to reprogram that into other needs.

So that is the background. I have no present plans to take any step, including an environmental study, to lead to new oil or gas exploration or other oil and gas activity. However, you have asked me, I believe, so long as I'm Secretary, and I have no idea how long that might be, would I allow such planning and activity. I think I have to answer that by stating that, as a public servant, I never say never. I don't think we can. We must watch circumstances, but by giving you as background the attention that I have given this subject in the—well, almost 3 months that I have been at Interior, I would hope to allay any concern over any steps in that direction in your State or among any of the 419 refuges.

Senator LEAHY. It's safe to say that you certainly have no present intention of doing that and, in fact, you've taken the money or asked to take the money that would be used to start such a process going and put it off into other uses, which would—at least within this budget—foreclose the possibility of going forward with that kind of activity?

Secretary CLARK. I certainly think that's a fair inference, Senator.

Senator LEAHY. Thank you. Mr. Secretary, then it appears to me that when my family and I go back up to Swanton, Vt., and we go to the Missiquoi refuge, we can tell the folks there that they're pretty safe, that the refuge is going to continue to be used for what it is, a wildlife refuge and not a drilling site. Would that be a pretty safe comment?

Secretary CLARK. I would hope so.

Senator LEAHY. Thank you. I must admit, you give a great deal of satisfaction with that answer, but I tell you you also make a lot of Vermonters pretty happy too.

Mr. Secretary, we have no other questions here in the committee—I say "we," I guess—guys, we got no more questions. [Laughter.]

ADDITIONAL COMMITTEE QUESTIONS

There are no other questions. We want to thank you for the testimony this morning. I understand that some of the Senators from both sides of the aisle may have other questions, which would be submitted in writing and ask if your office would respond to them.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

Oil and Gas Leasing

Question: You have resumed the Bureau of Land Management's simultaneous oil and gas leasing program and have also proposed an increase of $5 million related to the oil and gas program. What changes were made in BLM that led you to resume the simultaneous program?

Answer: In October 1983, we suspended the program and immediately launched a study for evaluating the procedures for classifying known geologic structures (KGSs). As a result of that effort, several management actions were taken and are being taken to assure good program management. We have updated the guidelines for classifying KGSs which places greater emphasis on the use of geologic data from both public and private sources as a basis for doing KGSs. Programwide, there are now consistent guidelines. In addition, we have also improved internal controls. Internal controls are now in effect to first clear all applications which are in the proximity of KGSs before filing. The Department will also be issuing new regulations requiring the payment of first year rentals ($1 per acre) at the time of application which should help curb speculation. These are some of the more significant management actions taken before deciding to resume the simultaneous program.

Question: Will the FY 85 increase of $5 million further increase the quality of management in the simultaneous program? How?

Answer: Our objective is to use the increased funds to do the current job better. That involves completing the KGS classifications and more stringent followup in post-lease activities and environmental work.

Question: What other options did you consider?

Answer: The decision to resume the simultaneous program followed several months of intensive review by the BLM. While the review indicated problems with implementation of procedures and the lack of geologic information, no inherent shortcomings of the SIMO system were identified. My decision to reinstate the SIMO program with one major change -- to require advance payments of first-year rentals to be submitted with an application -- was made after lengthy deliberation and examination of several options, such as:

1. Eliminate SIMO and rely on an all over-the-counter system for noncompetitive leasing.

2. Abolish SIMO and utilize an all competitive leasing system.

3. Replace SIMO with a rental offer system which would have resulted in several sequenced filing periods, each succeeding period having a lower rental rate.

4. Allow multiple filings in the SIMO system.

5. Retain SIMO with certain remedial measures, such as raising filing fees, bonding all lessees, or limiting the number of lease assignments.

In view of the alternatives, I determined the public interest would be best served by the option I selected.

Question: When we review the documentation and field materials on the simultaneous program, and specifically concerning the incidents leading to the recent program suspension, we don't see any easy fix to the lack of good program management. What further changes are needed?

Answer: A continuing objective is to provide for improved program management. One of the major efforts that we are proposing is the establishment of an economic and policy evaluation office in the Bureau. That office will address complex issues such as analyzing systems under which resources are or should be offered for lease or sale or conditions under which energy and mineral development should occur. We will also be updating our internal operating procedures, reviewing the internal controls, and emphasizing more program evaluation at the field level.

BLM assumed responsibility for KGS determinations in April 1983. When BLM first discovered in September 1983 that the procedures for making KGS determinations were not adequate, it took several actions. First, it required its geologists to make use of all available geologic and well data prior to making a determination. In addition, the Bureau has made a determined effort to acquire all pertinent data from both public and private sources. We are attempting to sign agreements with State government agencies for receipt of their information whether public or proprietary on a regular basis. The proposed budget increase will contribute to improved management by allowing the Bureau to be fully staffed to meet the continuing KGS workload caused by continuous exploration and development while at the same time being able to respond, on a timely basis, to industry requests for permits.

Coal Leasing

Question: What is your reaction to the Linowes Coal Commission Report?

Answer: The Department is conducting an analysis of the Linowes Commission Report, and the Secretary will issue the results of the review in mid-March. The Department anticipates that the number, size and timing of future coal lease sales will be a matter of principal focus in this analysis and subsequent discussions with Congress and the State Governors.

BLM/FS Land Consolidation

Question: For a number of years, the Forest Service and BLM have had a program underway to transfer jurisdictional control over intermingled lands, in an effort to consolidate ownership and provide for cheaper and better management of public lands. We in the western states have encouraged this as a reasonable program. Can you give me a progress report on this program? If we would like to accelerate BLM's efforts, how should we go about it?

Answer: BLM and the Forest Service are continuing to negotiate an agreement on the scope of the program and a method for implementation. Both agencies are working toward a goal of instituting an operational program by the end of FY 1987. Ground rules have been agreed upon by both agencies. Coordination will continue as the agencies determine priorities (whether to first process small, uncontroversial transfers with relatively minor benefits or larger transfers which have greater potential for benefit but are more likely to encounter opposition) and scope (announcement of a western-wide plan for transfers may generate opposition, both from within and without the agencies). Most of the jurisdictional changes will require Congressional action.

Acquisition of Mineral Interests in Wilderness Areas

Question: Would you describe for us how the proposed program of "Special Acquisition of Lands and Minerals" would work? You have requested $10,000,000 (or the equivalent in monetary credits) to acquire all mineral interests and rights in the Cranberry Wilderness Area in the Monongahela National Forest. Do you have an approved appraisal for these interests? What will the total cost be? Is there a statutory deadline for acquisition of these interests?

Answer: The law provides that the owner may be compensated by monetary credits or direct payments at the discretion of the Secretary. Furthermore, the Act of January 13, 1983 (P.L. 97-466) states that the owner and the Federal Government should reach a fair market value (FMV) determination for coal deposits and mineral interests within a year of passage of the Act. If a determination has not been reached after one year, either party could, if desired, petition the United States Claims Court for a FMV determination.

An appraisal has been made but is still under review within the Department and has not been presented to the private owner. The Budget numbers are purely estimates at this time.

Question: Can Land and Water Conservation Funds be used? If so, why not fund this through BLM's regular land acquisition program?

Answer: Yes, if Congress chooses to appropriate acquisition funds from the Land and Water Conservation Fund, the Department is not aware of any prohibition against it. However, the primary emphasis of the Cranberry Wilderness Act (P.L. 97-466) is on acquisition via monetary credits, not on acquisition by outright cash purchase of the rights.

Acid Lakes Demonstration Project

Question: Turning to the Fish and Wildife Service, would you explain to us the operating plan for the $6.0 million research and demonstration project to restore sports fisheries through liming surface waters and acidified lakes?

Answer: In FY 1984 the Service has $.525 million dollars for research to evaluate the impacts of acid rain on fish and wildlife and their food chains in sensitive ecosystems. Further research efforts to refine available mitigation methodologies to protect sensitive biological populations will be conducted in FY 1985. One million dollars of the $6 million will be used for these further acid rain research efforts. All efforts of the Service will be coordinated with the Interagency Task Force on Acid Precipitation to utilize all existing data and avoid duplication.

The demonstration projects ($5 million) will be carried out as follows:

- o In cooperation with States, appropriate acidified surface waters will be identified for the demonstration projects.
- o Interagency agreements with States to conduct the demonstration projects will be initiated.
- o Locally available buffering agents such as quicklime, hydrated lime, aglime and limestone gravel, will be evaluated.
- o Mitigation techniques to restore and retard the loss of sport fisheries will be implemented and assessed.
- o Biological and chemical response to the treatments will be assessed.

Question: What do we hope to learn?

Answer: As a result of our research and demonstration projects, the best, most cost effective techniques for restoring acidified surface waters, by geographical area, may be determined.

Question: Do we anticipate an expanded program in future years?

Answer: It is not anticipated that the program will be expanded.

Wetlands

Question: Would you also explain your new program of state assistance for the protection and conservation of wetlands?

Answer: The existing Federal, State, and private cooperation in wetlands conservation should be strengthened to minimize further losses of these valuable areas and to assure their management in the public interest for this and future generations. In order to stimulate this cooperative venture, the President's FY 1985 budget request proposes $7.5 million to be used in matching State funds to protect wetlands. Federal funds would be proposed to pay for 75 percent of the cost of State projects for those States eligible, and willing, to enter into the program. Apportionment of funds would be made on the following basis: 1) 50 percent based on ratio of State's expenditure of funds to total funds expended by all States for wetlands conservation; and, 2) 50 percent based on a national wetlands priority conservation plan. These guidelines are consistent with provisions of the Emergency Wetlands Resources Act (H.R. 3082 and S. 1329) now pending in Congress.

Question: Is this new program duplicative of legal authorities provided through the Pittman-Robertson program or the Dingell-Johnson program or the state-side of the land and water conservation fund?

Answer: The new program is not duplicative of legal authorities provided through the Pittman-Robertson (P-R) or Dingell-Johnson (D-J) programs or the state-side of the Land and Water Conservation Fund (LWCF). The P-R and D-J programs serve a broad range of management, research, and land acquisition activities for all species of wild birds and wild mammals, and sport fish, respectively. Only about 5 percent of these grants have been used to acquire wetlands.

LWCF State grant funds are currently available for planning, acquisition and development of public outdoor recreation areas and facilities. Typical projects include parks, camp grounds, swimming pools, bicycle paths and natural areas. The conservation of wetlands is not a priority goal of the LWCF State grant program. The new program for State wetlands grants will focus on wetlands conservation and provide new incentives to States to give increased emphasis to this end.

Question: What is the purpose of the $7.5 million requested; that is, what do you hope to influence the states to do in the short-term? How about the long-term?

Answer: The responsibility of protecting wetlands is too large for one group to undertake; cooperative private, State and Federal measures are needed. The President's FY 1985 budget request identifies the intent of the Federal government to increase its part in the wetlands conservation bargain. In the short-term, we hope that States will initiate wetlands preservation programs and dedicate funds to wetlands conservation (so they may become eligible for matching Federal funding). In the long-term, we hope a comprehensive wetlands conservation bill will be passed so we may begin long-range planning with the states to maintain the preservation burden at the lowest practical governmental level.

Question: Do you know what the proposed level will be for the Department of Agriculture's Water Bank Program?

Answer: The Department of Agriculture has proposed in their FY 1985 budget that the objectives of the Water Bank Program be carried out under the consolidated Agricultural Conservation Program. Eighty million dollars is requested by the Agricultural Stabilization and Conservation Service for the Agricultural Conservation Program of which $3 million is estimated for the Water Bank Program.

The exact amount is difficult to predict since States and Counties will set their own priorities for emergency conservation, forestry, and the Water Bank Program. In FY 1984, funding for the four programs proposed for consolidation totalled $222 million; $8.8 million is for the Water Bank Program.

Question: What will be the relationship between these two programs?

Answer: Both programs have objectives to preserve, maintain, and improve the Nation's wetlands for wildlife and human benefits. However, the means of meeting the objectives are very different. The Water Bank Program allows for annual payments to be made to private citizens entering into 10-year agreements to preserve, restore, and improve the Nation's wetlands. No State-matching funds are required. Wetlands are afforded temporary, non-permanent protection. The State Wetlands Grants program allows for annual apportionments to eligible States for a variety of wetlands conservation projects including acquisition, preservation, and enhancement. State-matching funds are required. Wetlands are afforded long-term, permanent protection.

Question: What will be the role of the Migratory Bird Conservation Commission under your new proposal?

Answer: We do not envision a formal role for the Migratory Bird Conservation Commission in the Service's State Wetlands Grants program.

Department of Defense Funding Transfers to Fish and Wildlife Service

Question: We hear rumors that the Department of Defense, primarily the Corps of Engineers, is planning to limit the amount of funds transferred to the Fish and Wildlife Service for the conduct of fish and wildlife studies and analyses. The Fish and Wildlife Coordination Act requires that a certain level of consideration be given to fish and wildlife resources during project planning and that the Fish and Wildlife Service provide recommendations which serve to mitigate, compensate, and enhance fish and wildlife values. If the Service is to assist the Corps in developing its plan in a positive manner, these funding transfers need to continue. Have you heard similar rumors?

Answer: In his February 28, 1984 testimony before the Subcommittee on Fisheries and Wildlife Conservation and the Environment, Committee on Merchant Marine and Fisheries, Deputy Assistant Secretary of the Army (Civil Works) Robert K. Dawson testified that the Corps had conducted two assessments of the funding agreement. One study was on the performance of the 1980 agreement and the other to assess an alternative whereby fish and wildlife studies would be performed in-house by Corps districts, or under contract.

Question: Would it be possible for you to discuss this with Secretary Weinberger and advise the Committee what the Defense Department's plans are?

Answer: While the funding agreement between the Corps and the Service is generally acceptable, the Corps has indicated that some modifications to the agreement may be appropriate. The Service is working with the Corps and will provide them documentation of some of the problem areas. Those primarily are consistency, procedural contact and a clear understanding of the Service role. The Committee will be advised of the results of any discussions between us.

Management of Refuge System

Question: The Fish and Wildlife Service recently completed a review of the threats to and the problems associated with the management of refuges in the National Wildlife Refuge System. Your budget proposal includes increases of $1,328,000 to increase the Accelerated Refuge Maintenance Management (ARMM) program and construction proposals for the refuge dam safety and other health and safety projects totaling $4,627,000. What other actions have you proposed that will address the recently identified threats? For the record, will you provide a complete list for the Committee?

Answer: The Service recently identified all actions in FY 1984 and the proposed FY 1985 budgets which are intended to address the recently identified threats. The actions which will be implemented cover a diverse range of problems and solutions and may include such activities as fence and road repairs, vegetation control (including timbering and weed control), completion or revision of master plans, installation of alarm systems, and improved coordination, cooperation, and communication with involved agencies, organizations, and individuals. The specific documentation, that reports by field station and region all identified threats and all actions currently proposed to solve those resource problems, is quite lengthy and has been provided separately to the Committee.

In addition to the actions identified in the FY 1984 and FY 1985 budget requests, the Service has undertaken a number of other actions to help address identified threats. The Service has implemented a 5-year planning system that is updated annually for both new construction and large rehabilitation projects. The Service has now staffed its new Maintenance Management Office and is developing an organized maintenance management system to better define its maintenance needs. The Service is working towards increasing the technical expertise of field station personnel through training. Many courses have been modified to address the identified problems more effectively. The Refuge Management Information system is being updated and will include information to help identify problems, and the detailed management plans for refuges are continually being updated and used to resolve problems as they are identified.

Personnel Levels for the Fish and Wildlife Service

Question: Last year, the House and Senate Committees agreed that the additional personnel needed to accommodate the funding increases provided to the Fish and Wildlife Service should be provided without regard to OMB-imposed personnel ceilings. Has this direction been brought to your attention? What action has been taken during FY 1984 to respond to this direction? Would you review this situation and provide your candid judgement for the record?

Answer: The Conference Report (September 30, 1983) directive states, "The Secretary is expected to get additional FTE ceiling to staff these programs in addition to the original 1984 ceilings so other on-going programs will not be affected." The Fish and Wildlife Service was given 57 FTEs in addition to the FY 1984 budget request. The Service allocated these 57 FTEs to the Cooperative Research Units. A reorganization of the program is proposed in FY 1985 to restructure the units into 24 combined Fish and Wildlife Units and 5 Fishery Units. The restructured program will require 57 FTEs. The FY 1984 allocation complements the proposed reorganization of the program.

The Service made internal adjustments to provide personnel levels for those programs receiving funding increases or reinstatement of proposed decreases. Internal adjustments were based on four factors: FY 1983 FTE allocations, FY 1983 FTE actual use, FY 1984 budget increases/decreases, and FTE needs identified by regional directors (line managers). Through this annual process FTEs are allocated to provide adequate personnel for all Service programs.

FTE use is monitored throughout the year. Minor adjustments in allocation may be made as needed to insure accomplishment of work objectives. The current personnel level will not limit the full accomplishment of work funded by the FY 1984 Appropriations Bill.

Additionally, the FY 1985 Service budget includes 151 FTEs over the FY 1984 level. The allocation of this increase gave consideration to FY 1984 Congressional directives related to personnel ceilings as well as to proposed funding increases. Base adjustments were made in the areas of Refuge Operations and Maintenance, Fishery Resources-Research and Development, Endangered Species-Law Enforcement, Administrative Services, and Land Acquisition. In light of the manner in which full time equivalent staff years are calculated, the Service has already begun to increase its staffing in FY 1984 with a view toward the increases included in the FY 1985 budget.

Public Use of National Wildlife Refuges

Question: Mr. Secretary, as great as our national wildlife refuge system is, I am persuaded that the refuge system alone will not provide adequate habitat and protection to our wildlife and fish resources in the future. I am told that at any given time the refuge system provides habitat for only 15% of the nation's wildlife resources. It seems clear to me that the nationwide rate of loss of habitat will continue and that the best we can hope for through an expansion of the number of acres in the refuge system is protection for some species. What is the best way to provide protection to the nation's wildlife and fish resources in the future? One way might be regulatory, through an expanded role for permits and licenses. However, I am persuaded that that approach won't work, for a variety of reasons. Another way to increase protection for some species might be through an increased law enforcement program. Another option, an expansion of the public use of refuges and an increased public awareness of the value of our wildlife resources, seems more viable to me. Have you reviewed the recently completed Public Use analysis performed by the Service at the Committee's request? I would appreciate it if you would do so and provide me with your thoughts along these lines. There are a number of refuges whose wildlife resources are superb; which are located close to large population centers; and which could sustain a fairly heavy level of public use without damaging the wildlife resource on the refuge. Perhaps we should be considering a modest program to improve the public's use of, and understanding of, wildlife refuges and the related wildlife resources.

Answer: We agree that the National Wildlife Refuge System by itself will not provide adequate habitat and protection in the future to our wildlife and fish resources. We also agree that one approach to protecting these resources is through developing an increased public awareness of their value. One way to accomplish this is to seek assistance from and cooperation with others in order to capitalize on mutual strengths, meet a broad spectrum of public needs, and reach as wide an audience as practical.

There are many means by which the general public can become informed about wildlife and natural resources issues. Invaluable resources for improving public understanding of wildlife resources are the media and the programs of various conservation organizations. For example, television programs on wildlife -- such as the National

Geographic Society's specials -- can have a far-reaching impact on improving public awareness in this area. In fact, according to the National Geographic Society, over the past nine years, the Society's special programs have held half of the top 25 places in the public television ratings and now regularly reach more than 16 million viewers in their first showing. In addition, all States have fish and wildlife agencies and many of these publish excellent monthly, bimonthly, or quarterly magazines and newsletters. Most major conservation organizations also publish magazines or newsletters, including groups such as the National Wildlife Federation, the Wildlife Management Institute, and the National Audubon Society. Many of these groups also publish educational materials for children or teachers. In addition, both the Fish and Wildlife Service and the National Park Service serve as important sources for scientific, semi-technical, and popular information that is readily available to the public. With respect to information on wildlife and fish resources, the Fish and Wildlife Service works with national and local print and broadcast media, as well as with independent writers and filmmakers, on coverage of wildlife stories. For example, the Service provided extensive support to the National Geographic Society production of the television special "Flight of the Whooping Crane" to be shown on the Public Broadcasting System.

Closer relationships with State fish and wildlife agencies, cooperative extension services, schools, and conservation organizations are needed to encourage the development of wildlife education programs and encourage the implementation of fish and wildlife management-related activities on private lands. In this regard, the Fish and Wildlife Service can strive toward making its field stations models of sound management and use. The Service can assist in providing guidance on applying fish and wildlife management practices to land owners and others who will influence what happens in the future to fish and wildlife populations and habitats. The Service can improve existing programs, activities, and facilities, and strengthen off-site activities by providing information and limited technical assistance to local communities, schools, and others on fish and wildlife matters.

Working with the non-Federal sector is critical. Two examples of how the refuge system itself has recently been expanded through cooperation with the non-Federal sector are the Prudential Insurance Company's gift of 120,000 acres of wetlands and forest lands in North Carolina, and the establishment of the Carrituck National Wildlife Refuge, also in North Carolina, through a cooperatige agreement with the State. While not directly related to public use, a third example of this type of cooperation is the agreement that was recently reached between Ducks Unlimited, the Fish and Wildlife Service, the Bureau of Land Management, and the Forest Service to protect and restore waterfowl nesting areas. The Service has many cooperative agreements and memoranda of understanding with State and local governments and private organizations which help accomplish the objective of protecting our fish and wildlife resources.

Federal, State, State, and local governments, and private organizations all have a role to play in protecting wildlife and fish resources. Only through cooperative efforts will we be able to achieve the objective of providing adequate habitat and protecting these resources.

Voyageurs National Park

Question: One of your National Park Service land acquisition proposals is $1.2 million for the Voyageurs National Park in Minnesota. We have pending before this Committee a declaration of taking on a different property in Voyageurs National Park, filed by the National Park Service because a landowner is undertaking development incompatible with the purposes for which this park was established. The Committee understands that this is the third time this particular landowner has caused a declaration of taking to be filed. Do you have any suggestions as to how the National Park Service, and the Committee, can cope with these repeated actions that, in effect, set the acquisition priority and schedule for the Service?

Answer: Decisions to file declarations of taking where incompatible uses are proposed or occurring on lands within units of the National Park System are made on a case-by-case basis after careful analysis of the threat to the resource and, of course, dependent on the availability of funds. The situation at Voyageurs is unique in that a landowner has repeatedly purchased new land and started development.

With the completion of the Land Protection Plan for Voyageurs National Park the tracts to be protected have been identified in priority order. It is anticipated that land acquisition can be resumed in an orderly manner. With such an organized land acquisition program underway, it is hoped that landowners will refrain from starting any adverse action on their property that would be harmful to park resource and will wait for the Service to acquire their land or interest in land.

Land Acquisition

Question: Are there any acquisitions proposed that need additional authorizations? Are there any outstanding deficiencies that are not included in the FY 85 budget?

Answer: There are no acquisition proposals in the FY 1985 Budget Request that require additional authorization. It is expected that with the funds requested either by area line item or in the deficiency line item, all outstanding deficiencies will be paid.

Historic Preservation

Question: Mr. Secretary, I notice that you have not requested funds for the Historic Preservation program. We don't need to talk about this in any detail at this time but I'd like to have your assessment so far of the value of this program. You know, I'm sure, that the 1981 Tax Act credits do not assist all properties--for example, owner occupied historic properties are not assisted. Does the Federal government have a role to play in preserving these properties?

Answer: The tax credits for the rehabilitation of historic structures authorized by the Economic Recovery Tax Act of 1981 apply to income-producing structures only. However, owners of non-depreciable historic structures are eligible for other tax incentives for historic preservation. These incentives, authorized by the Tax Treatment Extension Act of 1980, include income and estate tax deductions for charitable contributions of parital interests in real property for conservation purposes. In addition to these financial incentives, owners of non-depreciable historic structures benefit from the publications and other educational and technical services of the National Park Service relating to the maintenance and preservation of historic structures.

Question: Does the Internal Revenue Service know the exact amount of these credits?

Answer: Not to our knowledge. Statistics compiled by the National Park Service on the 25 percent investment tax credit (ITC) show that during fiscal 1983, 2,572 projects qualified for $2.165 billion worth of rehabilitation work. Much of this is for proposed work reported in project applications and not yet undertaken, and therefore not yet expended. In fiscal 1984, 3,200 projects worth $2.7 billion are anticipated.

The Joint Committee on Taxation estimates the following Federal tax expenditures for fiscal years 1984 - 1988:

($ in Millions)

	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	Fiscal 1988
25 percent ITC	255	325	415	540	700
15 and 20 percent ITC	365	345	360	395	435

Question: Do we have any qualitative data from IRS indicating whether or not the program is suffering from abusive credit claims?

Answer: We have not yet seen any data by the IRS that would establish that the program is suffering from abusive credit claims. The General Accounting Office, however, is conducting a study of the historic preservation tax incentives program. The study has not yet been released, but it is our understanding that the GAO concludes that the cost to the Federal Government in terms of foregone revenues is small when compared to the amount of investment in the rehabilitation of historic structures stimulated by Federal tax incentives.

Outer Continental Shelf Leasing Program

Question: As mentioned in your opening statement, earlier this year you announced a number of changes in the Outer Continental Shelf leasing program which were designed to foster better Federal, State, and private participation and to resolve State, environmental, and military conflicts early in the leasing process. Mr. Secretary, you are to be commended for implementing these changes which I feel will go a long way towards improving the overall OCS program. Please outline for the Committee the most significant OCS program problems you observed, and the specific programmatic changes you adopted to deal with these problems.

Answer: The most significant problem with the areawide leasing concept is related to implementation of procedures for addressing the concerns of affected States. Several measures are now being implemented to deal with such issues. Most significantly, while retaining the areawide leasing concept and considering entire planning areas for leasing, we will be attempting to resolve as many conflicts as possible at the Area Identification stage, when we select tracts for further analysis in our environmental impact statement (EIS) instead of at the proposed Notice of Sale stage, which is at the end of the 2-year prelease process. This will not only avoid needless controversy during evaluation and consultation concerning the sale proposal, but will allow more constructive use of the prelease process to better resolve issues still outstanding after Area Identification.

In addition, increased importance will be placed on early and complete scoping consultation at the outset of preparing environmental impact statements including reinstitution of public scoping meetings. More public hearings will be held and a full 60-day review period will be allowed for review of the draft EIS.

Consultation with the States also takes place through the section 19 mandate of the OCS Lands Act for consideration of State comments on the size, timing, and location of a lease sale and for acceptance of State views if they provide for a reasonable balance of national interest and the well-being of the citizens of the affected States. The existing section 19 consultation following publication of a proposed Notice of Sale will be continued.

Finally, while the Supreme Court has ruled that no formal Federal consistency determination is needed at the sale stage, we agree with the Court that early consultation on coastal zone management (CZM) issues, looking toward the postlease consistency certification requirement is a wise course of action. Accordingly, at the very early Call for Information step in the OCS planning process, States will be asked to indicate issues of concern regarding coastal resources. These issues will be fully analyzed in the EIS and throughout the prelease process in an attempt to resolve potential future postlease conflicts before the sale.

Question: One of the most distressing OCS problem areas we have witnessed deals with the relationship of the Department of Defense and the Department of the Interior. As you are aware, DOD has in the past made public many of its objections to leasing certain OCS tracts. This action not only has negative national security implications, but also brings to focus unnecessary and perhaps out-of-proportion problems which could, and should be resolved in a different manner. What specific actions have you taken to resolve this problem?

Answer: The Minerals Management Service is working closely with the Department of Defense (DOD) to accommodate their areas of major concern. Prior to 1983, when the Department of the Interior (DOI) held smaller, tract selection sales, we received information from the various branches of DOD about the operations which they conduct offshore and which of these they deemed incompatible with our exploration activities. Without exception, we were able to satisfy DOD concerns. This was accomplished either through the use of restrictive clauses in the leases issued or withdrawal of areas of sensitivity from offerings. When DOI moved toward offering larger areas in individual sales in 1983, we concluded a Memorandum of Agreement (MOA) with DOD to formalize negotiations and resolve differences in a more timely manner.

To date, the terms of the MOA have resulted in a better understanding of the needs and obligations of both Agencies and in less public airing of differences between us. In addition to the usual stipulations which DOI and DOD have agreed to in the past, we have recently developed new mechanisms to assure that both Agencies can jointly operate offshore without seriously infringing on the responsibilities of either. For example, in the Eastern Gulf of Mexico, we adopted a "time sharing" program which provides for exclusive use of a portion of the area by each Agency at any one time. It allows DOD unrestricted use of a large portion of the Eastern Gulf while DOI lessees do exploratory drilling in another area not being used by DOD. When we have a need to shift drilling operations, both Agencies can agree to relocate or realign operations so as not to impinge on one another. A modified version of this mechanism may be implemented in the North Atlantic to avoid a drilling structure density situation which could interfere with DOD activities. In developing such novel mitigating measures, we made certain that the oil and gas industry had an opportunity to provide its ideas.

In addition, where it is necessary, we remain willing to delete areas from a sale to preclude interference with critical DOD operations. Under changes in the prelease procedures now being implemented, we will be removing at the Area Identification stage those DOD conflict areas which we can identify early as requiring deletion from the sale proposal. This will avoid dragging through the 2-year planning process such areas of controversy. It will also allow us to focus our efforts more constructively during the remainder of the prelease process to resolve any remaining DOD concerns. In addition, for Sale 82-North Atlantic, the DOD and DOI have agreed on stipulations which will apply to the leases issued from this sale.

We are continuing to explore avenues of joint use with the Department of Defense. Currently, negotiations are underway to resolve conflict in California and the Gulf of Mexico, the results of which we will announce when completed. We are moving toward early resolution of our conflicts to enable both of us to better carry out our mandates.

Question: What has been the reaction of the States and private organizations to the specific changes? Have the States or private organizations proposed additional changes to the program which may be acceptable to the Department? If so, what are they? Have they proposed any that are not acceptable?

Answer: Those States and organizations which have responded to the changes being instituted have responded favorably. Many States have not specifically responded and may be waiting to see if future actions are in accord with our stated objectives. The Governor of Alaska and others have made several suggestions about changes to the 5-year program for sales off Alaska. These are being evaluated on a case-by-case basis to determine which should and can be implemented prior to a formal revision of the July 1982 program. A letter will be sent to Governor Sheffield shortly to advise him of how we can respond to his recommendations.

A formal review of the July 1982 leasing schedule pursuant to Section 18 of the OCS Lands Act is being initiated and will be completed in about two years. All recommendations regarding changes to the 5-year program will, of course, be considered during that review.

Question: The 5-year offshore leasing schedule called for some seven sales between this past January and next October, and for another nine during Fiscal Year 1985. Sale No. 79 in the East Gulf of Mexico has of course taken place, while Sale No. 80 in Southern California has been legislatively delayed. Do you anticipate the remaining five FY 1984 sales being indefinitely delayed or slipped to later dates during this fiscal year? Will such delays or slips have an impact on the proposed 1985 schedule? Which sales are most likely to be delayed or slipped into Fiscal Year 1986 or beyond?

Answer: As a result of the Secretary's new initiatives, the Department of the Interior is making a concerted effort to exclude from the long prelease planning process areas where industry interest is minimal and conflicts exist with other resources or uses. We are now examining on a case-by-case basis all sales which are in process to determine what changes, if any, are appropriate at this time. All sales scheduled to be held in both fiscal year (FY) 1984 and FY 1985 are in process and thus subject to review. In some cases, delays in sale dates will be required in order to complete the reviews and resolve conflicts.

Sale 80, Southern California, and Sale 82, North Atlantic, have been put on hold pending resolution of conflicts with State concerns and military uses. These sales may still occur in FY 1984.

As a result of consultation with Governor of Alaska William Sheffield and Alaska's congressional delegation, Secretary Clark has made several changes in the current 5-year offshore oil and gas lease schedule for areas off Alaska. Additional information gained from evaluation of issues and industry interest also prompted changes.

The results of Area Identification and draft EIS review for Sale 88, Gulf of Alaska/Cook Inlet originally scheduled for October 1984, revealed that there are considerable environmental concerns but little industry interest for the sale. We are issuing a Federal Register Notice to request more specific comments from the industry and will consider delaying or restructuring the sale if warranted.

Sale 85, Barrow Arch (2/85) has been deleted from the schedule.

For Sale 92, North Aleutian Basin, the entire area east of Cape Newenham and Port Moller in Bristol Bay and the area north of latitude 56° 30' N. have been deleted from the sale. The new sale proposal is 17 percent of the original and concentrates on areas of high geological potential and industry interest.

The sale has been delayed from April to August 1985 to allow adequate time for revising the environmental analysis for the sale.

Sale 89, St. George Basin, has been delayed from 12/84 to 4/85 in order to accommodate time required to revise the EIS, originally prepared jointly with Sale 92.

Sale 87, Diapir Field - Areas with lower oil and gas potential will be deleted from the sale, thus deferring to future sales nearly half the acreage in the planning area. The sale has been delayed one month, to July 1984.

In the Pacific region, the Call for Information for Sale 91, Central and Northern California, has been delayed while the Call area was reevaluated. The Call, expected to be published in March 1984, will reflect the Secretary's new initiatives for increased State and public participation, early resolution of conflicts, identification of coastal zone management issues, and more detailed information on industry interest to be employed in Area Identification. Sale 91 is expected to be delayed from September 1985 to January 1986.

It should be noted that the review of each sale may result in a requirement for additional time to be dedicated to the resolution of conflicts. The Department will be making every effort to adhere to the scheduled sale dates. Some flexibility in this matter, however, will have important benefits in effective conflict resolution and successful lease sales.

Mineral Institutes

Question: I am disappointed to see that the Administration did not see fit to request funding for the Mineral Institutes and generic centers. In addition to encouraging graduate-level research and training mineral scientists and engineers, these institutes and centers conduct important basic research in the mineral sciences. The generic centers were created to focus on separate basic research. We are told that this method is working and research is being conducted on some basic problems and concerns of the mining industry. Would you agree with this?

Answer: There was a need for seed money to help establish quality graduate programs in the mineral sciences and engineering. From the beginning of the mineral institute program in 1978 through the end of fiscal year 1984, the mineral institutes program will have granted over $57 million to the institutes to encourage the States to maintain and to improve their mineral research and education programs and the States have responded. Now that the States' programs are well under way, it is time to phase out Federal support for this program.

Question: The Department of Energy has requested $4,500,000 to support university projects in coal research. Many other agencies also devote funding to support university research. Why is the Administration supporting university research in general but not the mineral institutes and generic centers in the Bureau of Mines?

Answer: Department of the Interior bureaus and other Federal agencies such as the National Science Foundation, award many contracts and grants to universities where these institutions are the best vehicles to further the programmatic goals of the agency. One should remember that the universities are State institutions. Now that the States' programs are well under way, Federal funding should not be continued since the goal of the mineral institutes program, the establishment of quality graduate programs in mineral sciences and engineering, has been achieved.

Question: Again this year the budget justification states that other sources of funding are available to continue this type of work. Your budget justification indicates that industry research is on the decline. What are these other sources to support this basic research?

Answer: Universities having mineral institutes have numerous other sources of support (State appropriations, grants from private foundations, and contracts from private corporations and State and Federal government agencies) for their research programs. As a minimum, each institute must now match its $150,000 allotment grant, and consequently is already receiving at least $150,000 of support from non-Federal sources. Information provided by the Institutes for 1982 indicated that the States and State agencies provided $20.1 million (exclusive of instructional funds) and private sources $11.5 million for minerals-related research. In addition, institutions having mineral institutes received $2.2 million from agencies of the Department of the Interior (including $1.8 million from the Bureau of Mines) and $1.2 million from the National Science Foundation in fiscal year 1982 for mineral-related research. The Bureau of Mines is currently surveying the 31 mineral institute directors to develop an up-to-date picture of their mineral-related budgets. I will be happy to supply this information to you when it is available.

Question: Mr. Secretary, in light of the fact that the President recently vetoed the bill reauthorizing the State Water Research Institutes, do you intend to recommend a veto on the bill to reauthorize the Mineral Institutes?

Answer: As you know, the Administration did not request additional funding for the Mineral Institutes for fiscal year 1985. It would not be appropriate for me to comment on a hypothetical question as to possible Administration action on bills still in an early stage of consideration by the Congress.

Surface Mining Regulation and Reclamation

Question: I note that again this year the Department has proposed a significant increase in the Abandoned Mine Reclamation Fund/State Reclamation Program Grants, moving from some 29 million dollars in Fiscal Year 1981 when this Administration began, to 263 million dollars proposed for Fiscal Year 1985. This increase is due in large part to the fact that most of our coal producing States have now gained primacy in both their regulatory and reclamation programs.

Despite the fact that the program has progressed to the point that major reclamation work is finally being accomplished, many

States remain concerned that the overall program is not working as well as it should. Examples of the problems expressed by the States include the fact that OSM virtually ignored Congressional direction in establishing cooperative agreements with several western States; OSM inspections in many cases unnecessarily duplicate those of the States and tend to concentrate on review of paperwork rather than on actual in-the-field inspections; and, that the proposed allocation of the Secretary's share of AML funds is grossly disproportionate to where AML fees are actually collected.

With respect to all of these examples, I suspect that a large portion of the problem stems as much from misunderstanding and lack of communication as anything else. This situation has led Congress to take a number of actions which frankly meddle in the management of the program in ways that should be avoided. Mr. Secretary, what role will you play in working out these problems? What specific actions, if any, will you propose to work with the States and the Congress so as to resolve the difficulties in a reasonable and acceptable manner?

Answer: I have discussed the points you raised with the Director of the Office of Surface Mining (OSM). I believe the problems you cited result largely from the interpretation of the law. With respect to cooperative agreements, it is my understanding that the Surface Mining Control and Reclamation Act (SMCRA) of 1977 authorizes the Department to enter into cooperative agreements with States for the purpose of having the States oversee mining on Federal lands. The law authorizes funds for such cooperative agreements so long as the amount does not exceed what it would approximately cost OSM if they were to do the work. However, several States have requested funding in excess of what it would cost OSM and that is where the disagreement lies. I believe our policy clearly reflects the law.

The purpose of the OSM regulatory oversight program is to ensure that the State regulatory programs comport with approved State regulatory plans. Oversight by definition includes a certain amount of duplication. Our intent is to review a sample of mining permits issued. In addition, we inspect individual mining operations and the number is based on a random statistical sampling that will provide for a 95 percent confidence level for evaluating the quality of State programs. With respect to the inspection itself, it may involve a review of the State records and in some instances on-the-ground inspections. We plan to look more closely to see if there is proper mix of these activities.

Regarding the allocation of the Secretary's discretionary share of the Abandoned Mine Land (AML) funds, SMCRA directs that the allocation reflect both the area from which the funds originated and the national program needs. By law, 50 percent of the AML funds go to the State of origin (States' share). The remaining 50 percent (Secretary's discretionary share) is allocated relative to the reclamation priorities as stipulated in SMCRA. This is the policy that OSM is pursuing.

In summary, there is room for improvement. I trust that through timely and meaningful consultation and the exchange and sharing of information with the States and Congress that more progress will be made.

QUESTIONS SUBMITTED BY SENATOR J. BENNETT JOHNSTON

Bogue Chitto Land Acquisition Capability Statement

Question: Much to my chagrin, I noticed that no funds were scheduled for land acquisition at the Bogue Chitto National Wildlife Refuge.

I believe it is critically important to keep land acquisition on track for this important habitat. Please submit for the record a capability statement for acquisition in FY 1985.

Answer: The following capability statement is provided for land acquisition at Bogue Chitto National Wildlife Refuge in FY 1985.

DEPARTMENT OF THE INTERIOR

Agency/Bureau :	U.S. Fish and Wildlife Service
Fiscal Year:	1985
Appropriation:	Land Acquisition and State Assistance
Activity:	Land Acquisition
Proposed Action :	Up to $2,705,000 to complete land acquisition under the current authorization on the Bogue Chitto National Wildlife Refuge, Louisiana and Mississippi

Current Program: The Service utilizes Land and Water Conservation Fund Act appropriations to acquire habitat for the protection of specifically authorized areas, for recovery of endangered species, and for recreational use and wildlife habitat protection on additions to existing refuges. In FY 1985, the Service proposes to use this source of funding to also support Federal Refuge Wetlands and State Wetlands Grants activities.

	Acres	Appropriations	Costs
Bogue Chitto NWR			
Appropriated through FY 1983		$ 9,295,000	
Acquired through FY 1983	17,796		$ 7,150,000
Appropriated in FY 1984		1,000,000	
Planned acquisition in FY 1984	1,670		750,000
Appropriations requested in FY 1985		0	
Planned acquisition in FY 1985	5,330		2,395,000
Remaining to acquire	7,000		3,650,000
Remaining authority	8,204	2,705,000	
Anticipated additional authority needed		945,000	
Total	40,000	$13,945,000	$13,945,000

Amount Budgeted:

	FY 1984	FY 1985
Federal Refuge Lands	$40,797,000	$29,000,000
(Bogue Chitto NWR)	(1,000,000)	(0)
Federal Refuge Wetland	0	20,000,000
Acquisition Management	1,500,000	1,000,000
State Wetland Grants	0	7,500,000
Total	$42,297,000	$57,500,000

Feasibility: Public Law 96-288, June 28, 1980, was enacted to authorize the Secretary of the Interior to establish the 40,000-acre Bogue Chitto National Wildlife Refuge in southeastern Louisiana and adjacent small portions in Mississippi.

Bogue Chitto NWR is located in the Pearl River Basin and consists primarily of low floodplain bottomland hardwood habitat in the heart of the Bogue Chitto River Swamp. This area has been identified by the Service as one of the most valuable, diverse, and productive wildlife habitats in the Nation. Particularly impressive is the abundance and diversity of flora and fauna it offers. Included in the rich array of wildlife are nearly 150 species of breeding and wintering birds, 47 species of mammals, 131 different reptiles and amphibians, and over 140 species of fish. The Bogue Chitto River supports tremendous populations of game species such as white-tailed deer, gray and fox squirrel and eastern wild turkey. Furbearers found there include raccoon, bobcat, river otter, beaver, muskrat, nutria, gray and red fox, weasel and mink. At least 9 species of waterfowl winter in the area, and the moist wetland complex provides excellent nesting habitat for the resident wood duck.

Bottomland hardwood habitat is disappearing throughout the United States. Of the 25 million acres of forested wetlands existing just 50 years ago in the Mississippi River Delta, only about 3 million acres remain and these are being cleared at a rate of 300,000 acres per year.

Capability: Through FY 1984, $10,295,000 has been appropriated for acquisition at Bogue Chitto NWR; $1,000,000 was appropriated for FY 1984. Of the $3,145,000 available in FY 1984, we expect to obligate $750,000. Therefore, approximately $2,395,000 will carry over into FY 1985. Late in FY 1983, $1.5 million in unobligated balance from Bogue Chitto NWR acquisition was transferred to the Bureau of Land Management (BLM) to cover costs of emergency fire suppression, BLM will return these funds from a FY 1984 fire supplemental and the $1.5 million will be carried over into FY 1985 to continue acquisition.

Funds will be carried over into FY 1985 due to: 1) unavailability of $1.5 million for obligation until fourth quarter of FY 1984 (BLM emergency fire costs); and 2) currently in most time consuming segment of project--approximately 80 owners to negotiate with. It is expected that approximately 5,330 acres could be purchased in FY 1985 using carryover funding. Additional funds could not be effectively used.

Outlay Effect: FY 1985 Up to $2,705,000

Proposed By: Senator J. Bennett Johnston

Question: When will the Fish and Wildlife Service begin preparing a management plan for the Bogue Chitto and Tensas Refuges?

Answer: Master planning is scheduled for both these refuges in FY 1985. Both already have proposed refuge management plans available in the Regional Office that cover hunting and fishing on the refuge. Forest management plans are being developed.

Question: To assure that these plans are prepared in FY 1985, will additional funds be needed and, if so, how much?

Answer: No additional funds are required to assure preparation of the master plans for these two refuges in FY 85

Question: Please submit in order of priority, the needs at these refuges. How much will be needed to implement each?

Answer: Current funding levels of $256,000 at Tensas River and $200,000 at Bogue Chitto are adequate for current operations. When master plans are finalized next year, more details on the needs of these refuges, will be available. A preliminary listing is outlined below:

Tensas River NWR

Priority	Description of needs	Estimated Cost
1.	base operations & maint.	225,000
2.	bridge construction	437,500
3.	equipment purchase	687,500
4.	field HQ facility	1,625,000
5.	rehab roads & parking	226,250
6.	boat landings	93,750
	Total	3,295,000

Bogue Chitto NWR

Priority	Description of needs	Estimated Cost
1.	base operations & maint.	185,000
2.	office/visitor contact station	450,000
3.	equipment storage building	250,000
4.	oil & fuel storage facility	60,000
5.	radio tower	4,000
	Total	949,000

Question: What are the personnel needs of these Refuges?

Answer: The current staffing level at these refuges is adequate. However, the next positions which could be established include one Forester (GS 9/11) at Tensas River and one Park Technician (Law Enforcement Specialist, GS 7) at Bogue Chitto.

Question: Are there funds in the FY 85 budget to hire a biologist to serve the Bogue Chitto complex which services 3 large refuge areas in Louisiana? If not, what is needed to assure that a full-time biologist is in place there in FY 1985?

Answer: Since the Refuge Manager, the two Assistant Managers, and the Bio Tech all have biologist credentials, a separate full-time biologist is not necessary to provide sufficient biological expertise.

Question: PL 96-288 authorized $1,000,000 for the construction of refuge headquarters and boat launching facilities at the Bogue Chitto Refuge, along with necessary boundary surveys, to remain available through September 30, 1985. How much of this can FWS use in FY 1985? The full $1,000,000?

Answer: Funds have not previously been requested because the FWS did not have a suitable headquarters site. We are now acquiring the Lock One site and expect negotiations with the US Army Corps of Engineers to be completed within six months. Headquarters construction on this site will be considered within the overall construction priorities through the Service-wide Construction, Rehabilitation, and Maintenance System. If the authority of PL 96-288 expires, funding could be sought under authority provided by the National Wildlife Refuge System Administration Act. Although there are higher priority needs the Service could obligate $1.0 million in FY 1985.

Question: Many refuges in Louisiana are old and in need of rehab work and new administrative facilities to ensure that modern management of refuge resources is possible. Please submit for each refuge a needs assessment including personnel needs. Identify maintenance needs by categories, i.e., employee and public health and safety, administrative/maintenance facilities, wildlife-oriented public use facilities, etc.

Answer: A needs assessment based upon criteria developed by the Service follows. Each project falls in one or more of the categories listed below.

Health and Safety	Items 1,3
Administrative/Maintenance Facilities	Items 2, 5, 6, 15, 28-33
Public Use Facilities	Items 19-27
Habitat	Items 4, 7-14, 16-18, 34

LOUISIANA NATIONAL WILDLIFE REFUGES REHABILITATION AND CONSTRUCTION
NEEDS ASSESSMENT
(In Priority Order)

ITEM NO.	STATION NAME:	FY	PROJECT NEDED	ESTIMATED FUNDS REQUIRED
1	TENSAS RIVER	86	BRIDGE CONSTRUCTION	437,500
2	BOGUE/CHITTO	86	OFFICE/VCS/SEWAGE	450,000
3	DELTA	86	ENLARGE BOAT SLIP(VENICE)	233,750
4	LACASSINE	86	RIP-RAP LEVEE(SW CORNER)	437,500
5	BOGUE CHITTO	86	EQUIPMENT STORAGE	250,000
6	BOGUE CHITTO	86	OIL & FUEL STORAGE	60,000
7	LACASSINE	86	REHAB WATER CONTROL STR.	721,250
8	LACASSINE	87	CONSTRUCT SUBIMPOUNDMENT	375,000
9	SABINE	87	REHAB WATER CONTROL STR	1,035,000
10	TENSAS RIVER	87	EQUIPMENT PURCHASE	687,500
11	TENSAS RIVER	87	FIELD HQ FACILITY	1,625,000
12	SABINE	88	FENCING REHAB (27 MI.)	172,500
13	LACASSINE	88	REHAB FARM UNITS	550,000
14	TENSAS RIVER	88	REHAB ACCESS ROAD/PARKING	226,250
15	BOGUE CHITTO	88	RADIO TOWER	4,000

LOUISIANA NATIONAL WILDLIFE REFUGES REHABILITATION AND CONSTRUCTION NEEDS ASSESSMENT --Continued

(In Priority Order)

ITEM NO.	STATION NAME:	FY	PROJECT NEDED	ESTIMATED FUNDS REQUIRED
16	D'ARBONNE	88	RESHAPE/GRAVEL ROADS	250,000
17	UPPER OUACHITA	88	REHAB 11.4 MILES OF ROAD	395,000
18	LACASSINE	88	SURFACE LEVEE ROADWAY	650,000
19	TENSAS RIVER	88	BOAT LANDINGS (2 ea.)	93,750
20	D'ARBONNE	88	REHAB PUBLIC ACCESS	526,250
21	UPPER OUACHITA	88	REHAB FINCH LAKE LANDING	32,500
22	LACASSINE	88	REHAB OBSV. TOWER/SIGNS	58,750
23	SABINE	88	NEW BOAT LAUNCHING RAMPS	300,000
24	D'ARBONNE	88	VISITOR TRAILS/OBS. PT.	280,000
25	UPPER OUACHITA	88	BOAT RAMPS(2)/CONTACT PT.	98,750
26	SABINE	88	TRAIL/BOARDWALK/DISPLAYS	520,000
27	LACASSINE	88	SURFACE TOUR RT/BOAT RAMP	443,750
28	CATAHOULA	89	REPLACE HEADQUARTERS	1,588,750
29	CATAHOULA	89	NEW SUPPORT FACILITIES	312,500
30	DELTA	89	STORAGE BUILDING	125,000
31	D'ARBONNE	89	CONSTRUCT HEADQUARTERS	2,585,000
32	LACASSINE	90	REPLACE HEADQUARTERS	2,676,250
33	SABINE	90	REHAB STORAGE BUILDING	185,500
34	D'ARBONNE	90	MOIST SOIL DEVELOPMENT	437,500

Current personnel staffing for refuges in Louisiana is as follows. Positions marked with an asterisk are personnel needs that have been identified but are of lower priority.

Bogue Chitto	
Refuge Manager	GS 12
Assistant Manager	GS 9/11
Bio Tech (wildlife)	GS 7
Secretary	GS 5
*Park Technician (LE)	GS 7

Catahoula	
Refuge Manager	GS 11
Assistant	GS 9
Secretary	GS 4
Equipment	WG 10
Maintenance Worker	WG 6

D'Arbonne	
Refuge Manager	GS 12
Forester	GS 11
Assistant Manager	GS 9
Secretary	GS 5

Delta	
Assistant Manager	GS 5
Boat Operator	GS 10
Bio Tech	GS 8
Park Technician (LE)	GS 7

Lacassine	
Refuge Manager	GS 11
Assistant	GS 9
Secretary	GS 5
Maintenance Mechanic	WG 10
Maintenance Worker	WG 6
Bio Tech	GS 5

Sabine	
Refuge Manager	GS 12
Assistant	GS 11
Fish Biologist	GS 9
Secretary	GS 5
Maintenance Mech.	WG 10
Maintenance Worker	WG 7
Assistant Manager	GS 7

Tensas River	
Refuge Manager	GS 12
Assistant	GS 9/11
Bio Tech	GS 7
Secretary	GS 5
Maintenance Mechanic	WG 10
Maintenance Worker	WG 6
*Forester	GS 9/11

Upper Ouachita	
Assistant Manager	GS 9/11
Forester	GS 9
Park Technician	GS 7
Maintenance Worker	GS 6

Question: List the refuge needs for the State in priority order for each of the next five years. Indicate how much will be needed to address each identified need.

Answer: A listing of refuge needs has been provided in the table entitled "Louisiana National Wildlife Refuge Rehabilitation and Construction Needs Assessment". The priority listing is based on Louisiana refuge needs only and will be considered in light of total Service requirements. Other needs of lesser priority include additional operational funding of $20,000 for each of the following refuges: Catahoula, D'Arbonne, Delta, Lacassine, Sabine, and Upper Ouachita.

Question: Please provide for each refuge in Louisiana the dates when management plans were initially completed and subsequently updated, if applicable.

Answer: Management plans for Delta, Catahoula, D'Arbonne, Upper Ouachita, Lacassine and Sabine NWRs all were reviewed and updated in August 1980. Since then, there have been minor revisions to D'Arbonne (March 1981), Upper Ouachita (March 1981), and Sabine (February 1981). Proposed management plans have been completed for the recently established Bogue Chitto NWR and Tensas NWR.

Question: Are funds needed to update these plans? If so, how much is needed?

Answer: No additional funds are required.

Question: How are Accelerated Refuge Maintenance Management (ARMM) funds being used in FY 1984?

Answer: FY 1984 ARMM funds ($14.6 million) were allocated to refuges based on previous station funding and maintenance needs. The funds were distributed to 177 refuges, 11 refuge complexes, and 5 wetland management districts in 46 states. The funds were directed at correcting maintenance deficiencies in the following categories: Managed Waters, Natural Wetlands, Managed Uplands, Wildlands, Wildlife Populations, Facilities, and Vehicles and Equipment. ARMM funds for Louisiana refuges in FY "84 are as follows: Bogue Chitto, $125,000; Delta-Breton, $15,000; Catahula, $40,000; Lacassine, $50,000; Sabine, $35,000; Tensas River, $150,000; and Upper Ouachita, $15,000.

Question: Please submit for each refuge, grouped by State, the maintenance backlog, the amount that has been allocated and the maintenance need that will be addressed.

Answer: The maintenance estimate was calculated on a national basis according to formulas employed by other Federal government agencies, using a formula originally developed by the U.S. Navy based on an analysis of their own annual maintenance needs which are applicable to the Fish and Wildlife Service. Under this formula, the annual funding needed for refuge maintenance would be equal to two and one-half percent of the real replacement value of the capital investment and improvements on refuges. The maintenance deficit, or backlog, is then computed as the difference between the available maintenance funding, excluding salaries, and the total annual requirement as calculated. Nationwide, the refuge system includes $1.9 billion worth of capital investments and improvements. The estimated annual maintenance need based on this system, then, is $56 million. However, the maintenance estimate has not been calculated by individual refuge. An inventory system is currently being developed for the entire Fish and Wildlife Service by the Service's Office of Maintenance Management, and a computer tracking system, also being developed by that office, must be implemented before the actual maintenance needs and expenditures of each refuge can be accurately tracked.

The amount of ARMM funds allocated to each refuge for FY 1985 and the maintenance needs to be addressed are listed in the document titled "ALLOCATION OF ARMM FUNDS FOR FY 85" that is being provided separately. The refuges are listed by Fish and Wildlife Service region rather than by State in this summary, since the Service does not maintain a coordinating office in each State, but rather reports by Region. However, a list of refuges in each state is also provided.

Question: For FY 1985 please provide the identified priority needs of each refuge grouped by State.

Answer: A listing of the priority needs identified by each refuge is provided seperately in the document titled "SUBMISSIONS FOR FY 85 ARMM FUNDS". As explained in the preceding answer, this listing is by region rather than by State.

Question: Two years ago Delta opened hunting and camping on Breton Refuge. Both are areas with many known poaching problems, and concern has been expressed that these two events, coupled with the removal of the administrative facility at Delta, will result in serious harm to the resources, particularly during nesting season at Breton.

What new initiatives have you undertaken to assure that these problems will not be exacerbated by the removal of the administrative facility at Delta?

Answer: Camping is permitted on Breton during the shorebird nesting season. However, the areas where the birds nest are determined each year and posted with "Closed Area" and "Bird Nesting Area" signs. In the late 1970s the refuge was closed to camping, but this put so much camping pressure on the nearby state-owned islands (which had just as much or more colonial bird nesting than the refuge) that the total damage to nests was greater than when refuge lands were open. The Refuge was reopened and the refuge manager strengthened efforts to post all nesting areas and increase law enforcement activities during the nesting season.

The refuge staff has not been reduced and the administrative facility has only been moved from the island to the mainland, a distance of approximately 10 miles. Staffing for Delta includes a park technician and a boat operator, both of whom have law enforcement authority, as do the Refuge Manager and an Assistant. Patrols on the island consisting of occassional fly-overs and two to three patrols a year on the ground have not been reduced; and no increased problems are anticipated. We will continue to monitor the situation and provide additional law enforcement, if needed.

Question: Have the management plans for hunting and camping been updated with the removal taken into account? If so, please furnish me with a copy of the plan.

Answer: No management plans have been specifically modified to reflect the relocation of the administrative facility. However, we believe that adequate surveillance is available from the new administrative facility location.

Law Enforcement

Question: Will there be any impact in Louisiana from the shifting of 35 law enforcement positions to the Midwest and Northwest? If so, what will it be?

Answer: During FY 1983, the Service examined the balance between the Law Enforcement funding provided by Wildlife Resources, Endangered Species and Fishery Resources versus the work performed for each program. It was determined that the shift of 35 FTEs from Wildlife Resources to Fishery Resources would result in a more efficient management of agents in these activities as well as reflect a more accurate allocation of total Law Enforcement funds between the programs. This adjustment of base resources did not involve the physical transfer of positions or personnel. Therefore, this FTE shift has no adverse impact in Louisiana. The reference to the Midwest and Northwest pertains to the Service's initiatives, as identified in the FY 1985 Budget Justification, to concentrate fishery law enforcement efforts on activities relating to anadromous fish in the Pacific Northwest and on the East coast and to protect the fishery resources of the Great Lakes.

Question: The Congressional District Report indicates that no funds or FTEs will be expended for law enforcement in New Orleans. Please explain what this means in terms of the law enforcement capability available in this area.

Answer: Law enforcement coverage for the New Orleans area is now provided by the Service's nearby Slidell, Louisiana, office. No reduction in law enforcement efforts in this area is anticipated.

Tensas National Wildlife Refuge

Question: According to the Congressional District Report, no funds will be expended for the Tensas River Refuge in either FY 1984 or 1985? Please explain why.

Answer: Funding information for Tensas River Refuge is listed in the Congressional District Report under Mississippi, because the headquarters office and mailing address are located in that State. However, beginning with FY 1986 the Congressional District Report will show Tensas River Refuge funding under Louisiana. Tensas was allocated $256,000 in FY 1984 and $138,000 in FY 1985.Higher funding in FY 1984 is due to $150,000 ARMM funds received in FY 1984 not repeated in FY 1985. Distribution of ARMM funds varies annually based on priority maintenance needs.

Question: The Committee requested a survey from the Service that identifies the role and level of interpretation activities on refuges. How much will be allocated to Louisiana refuges for such activities in FY 1985?

Answer: The survey was only applicable to selected refuges with high public use or public use potential. Sabine was the only refuge in Louisiana originally identified to be surveyed. In the final analysis Sabine was not among the top 45 priority stations for this public use expansion.

Status of Blackbird Control Operations

Question: The Committee recommended that $279,000 be included in the FY 1984 budget to maintain blackbird damage control operations at Crowley, Louisiana, and Stuttgart, Arkansas.

What is the status of blackbird damage control operations in Crowley?

Answer: The Service's Atlanta Region has been directed to provide a total of $279,000 to the Crowley, Louisiana, and Stuttgart, Arkansas, field stations for blackbird damage control. The Crowley Station is receiving $139,000 and the Stuttgart station is receiving $140,000. There is currently a vacancy at the Crowley station, but a selection has been made to fill it.

State Matching Funds

Question: When you testified before the Committee on Energy and Natural Resources, I asked you why State matching funds had been zeroed out. You indicated that there was some $280 million accumulation in the fund, and therefore, no immediate reasonable purpose would be served by requesting funds in FY 1985.

It is my understanding that the total of obligated-but-unexpended State balances at the end of FY 1983 is estimated at $300 million. In view of the fact that these monies have already been obligated, please explain the reason why funds are not being requested for FY 1985 when, according to a survey conducted by the National Recreation and Park Association in February, 1984, the estimated demand for State and local grant requests is $366.5 million.

Will any new state grants be awarded in FY 1985?

What is the total dollar amount and backlog of state unfunded projects? Please provide this information for the record.

Answer: The final grant accounting figure for obligated-but-unexpended funds for the Land & Water Conservation Fund (L&WCF) State Grant account as of September 30, 1983, was $333.4 million, including Jobs Act obligations; in addition to this amount, States carried over $32.2 million in unobligated apportionments into fiscal 1984, and received new, fiscal 1984 apportionments totalling $72.9 million in December. The $280 million figure is the total obligated-but-unexpended balance that may remain in the State Grants account at the end of fiscal 1984. Under the Administration's fiscal 1985 budget proposals, there would be no new apportionments in fiscal 1985.

There is no question that a "backlog" of L&WCF State Grant applications exists, but the Department has no definitive data on the total dollar amount of unfunded State projects. Defining such backlogs is difficult, because the total number and individual dollar size of applications tend to be tailored by grantees to the amount of funding available at any given time. However, the National Park Service has collected information from most States, as part of the mandated L&WCF Annual Report process, on the total dollar levels of applications during fiscal 1983. Preliminary data based on these State reports indicate an estimated total of $470 million for applications submitted to States during the last fiscal year. About $100 million of these requests were funded under regular apportionments, the special Jobs Act apportionment, and funds recovered or carried over from previous years. A more definitive rundown on State estimates for fiscal 1983 will be included in the L&WCF Grants-in-Aid Program Annual Report for Fiscal Year 1983, which will be submitted to Congress in March.

Historic Preservation and Urban Parks Grant Programs

Question: When you testified before the Committee on Energy and Natural Resources, I asked about the Department's proposal to eliminate funding for the historic preservation and urban parks programs. You indicated you would be willing to take another look at this question.

Have you taken any steps to review this matter? If so, what is your assessment of the condition of urban parks?

Under the provisions of the Urban Park and Recreation Recovery Act of 1978, $40 million was appropriated in FY 1983. According to a DOI news release dated 6/10/83, 270 state proposals totalling $87 million were submitted for funding out of the $40 million appropriated. In view of the expressed needs of the states, what is the rationale for requesting no funds for the Urban Park and Recreation Recovery program in FY 1985?

Are funds available to award any grants to states in FY 1985? How much is available? How much would be needed to bring urban parks up-to-date?

Answer: As you note, I agreed to review these issues at the earlier hearing, but have not yet had time to complete such a review. Any change in the Department's position on these programs would be unlikely to affect the Administration's fiscal 1985 proposals, which are based on the position that local parks rehabilitation funds are not a high priority for funding in fiscal 1985.

To the best of my knowledge, no one has ever been able to come up with a reliable figure on total needs for local park rehabilitation. I am informed that Federal agencies and private organizations such as the National Recreation and Park Association have been trying to get a handle on this question for a number of years, but have been unable to arrive at a statistically reliable way to survey or measure such needs in dollar terms.

The planning elements of the Urban Parks program have apparently made many communities more sensitive to the need to protect large-scale park investments made, in some cases, as long as 75 to 100 years ago. There is no doubt that total local park investments are valued in the billions of dollars. The Urban Parks Recovery Action Plans which have been completed by 320 cities and urban counties in accord with the requirements of the Urban Park and Recreation Recovery Act do provide some indications of the scale of park rehabilitation needs, though variations in the way each community expresses these needs makes arriving at a total estimate for all participating grantees difficult. However, a reasonable extrapolation from the project-by-project needs identified in these plans gives an estimate in the $600 to $800 million range over 5 years. While this amount is probably independent of actual local capacities to invest in redesigning and renovating park facilities, it does confirm that substantial needs for capital rehabilitation projects exist.

The question is not really whether needs exist for local rehabilitation, but whether the Federal government should have a special role in promoting and financing such activities. For the present, the Administration believes that these goals would be better achieved through local and private sector initiatives than through direct Federal funding.

As to the question on what Urban Parks funds may be available in fiscal 1985, small amounts of grant money continue to be recovered to the Urban Parks account as a result of deobligations of cost underruns on completed grants made in prior years. Although we estimate no unobligated balances in fiscal 1985, any such balances or recoveries would be available for grant awards.

Historic Preservation

Question: The Administration proposes to eliminate all direct Federal support for the preservation of historic properties except for those which are part of the National Park System. The Administration concluded that Federal support should be replaced by private sector involvement or assistance from State and local governments and that adequate tax incentives exist to encourage these funding sources to participate in the program.

What impact will Federal withdrawal from this program have on States?

Answer: We believe that direct grant assistance is no longer needed because of the encouragement to private sector investment in income producing properties made possible by the tax incentives provided by the Economic Recovery Tax Act of 1981. It is impossible that without Federal grant assistance some States will eliminate or curtail some of their current preservation activities; however, because of the economic benefits to the State and directly to local governments in increased taxes and business revitalization associated with rehabilitated historic properties, we believe that most States will maintain many of the activities presently assisted with grant monies.

Question: What has been the reaction of States to this proposal?

Answer: States are opposed to the loss of Federal revenue. However, the program successes and standards set by the State offices will continue in some form in almost all States because there is now a preservation ethic that has been institutionalized nationwide. This is largely a result of the more than $384 million given as grants since 1970 for survey, resource protection, technical assistance, and development activities. Also, because of the success of the preservation tax incentives program and the number of jobs which this function creates, States will find it in their interest to continue to participate in the tax incentives program. Other presently assisted activities may also continue if individual States determine it to be in their interest to do so.

Question: What assurance does the Federal government have that historic properties with national significance that are found outside the Park System will be preserved?

Answer: First, while there is not a clear need for additional Federal funding through matching grants, all historic properties of national significance that are income producing continue to be eligible for tax incentives under the Economic Recovery Tax Act of 1981. Further, the resource protection planning process which has been implemented in a majority of the State historic preservation programs will help State and local officials make preservation decisions and provide assistance to significant cultural resources. Secondly, those properties that are National Historic Landmarks are periodically monitored by State and National Park Service staff. Those properties found to be threatened or endangered are identified in an annual report to Congress, mandated by section 8 of the 1976 General Authorities Act.

Obligational Rates

Question: During fiscal years 1982 and 1983 the obligational rate for land acquisition expenditures for the National Park Service averaged 52%, yet in the five preceding fiscal years the obligational rate averaged 85%.

First, let me congratulate you for your leadership in finally resolving Sweeney Ridge. In my judgment, this was a wise move and one which shows your positive leadership on this issue.

But could you also provide us with a report on the steps you are taking to bring the obligational rate back up to its historical average?

Answer: One step we have taken to bring the obligational rate back to its historical average is to return the delegation of authority to accept offers to sell to the field once a land protection plan is cleared by the Washington Office. Historically, the authority to accept an offer to sell from a landowner has been either at the regional or project level. This level of delegation has generally allowed the Service to accept offers from landowners and have the check to the landowner in 30 days or less. Additionally, when negotiations reach an impasse because of price disagreement, we plan to resume the use of condemnation by complaint to determine just compensation, and we plan to accelerate the submission of proposals requiring Congressional review.

Land Protection Plans

Question: During the time Land Protection Plans were being developed, the authority to accept offers to sell was withdrawn from the field. As Land Protection Plans are developed and concurred in by the Assistant Secretary, the delegation of authority to accept offers to sell is returned to the field. To date some 70 land protection plans have been completed, as I understand. How many land protection plans remain to be done?

Answer: As of February 6, 1984, 77 land protection plans had been concurred in by the Assistant Secretary for Fish and Wildlife and Parks. A total of 192 units are scheduled to have plans prepared, so 115 remain to be done.

Question: What is the scheduled completion date for each?

Answer: There are 62 new plans now scheduled for completion during fiscal 1984. The complete land protection plan schedule is as follows:

Land Protection Plan Schedule 1983-1985

Area	Clearance Date
Acadia NP	April 1985
Adams NHS	8-11-83
Agate Fossil Beds NM	April 1985
Alibates Flint Quar. NM	September 1984
Allegheny Portage NHS	7-7-83
Amistad NRA	April 1985
Andersonville NHS	March 1984
Aniakchak N. Pres	April 1985
Antietam NB	9-19-83
Apostle Islands NP	9-27-83
Appalachian Trail	4-15-83
Appomattox Court House NHP	7-25-83
Arches NP	July 1984
Assateague Island NS	June 1984
Badlands NP	July 1984
Bandelier NM	April 1985
Bering Land Bridge N Pres.	April 1985
Bent's Old Fort NHS	April 1985
Big Bend NP	April 1985
Big Cypress NPres	April 1984
Bighorn Canyon NRA	April 1985
Big Thicket National Preserve*	10-6-83
Biscayne NP	7-25-83
Black Canyon of Gunn. NM	July 1984
Blue Ridge Pkwy	July 1984
Boston NHP	7-7-83
Boston Afro. Amer. NHS	July 1984
Bryce Canyon NP	May 1984
Buffalo River	12-5-83
C & O Canal NHP	10-17-83
Canaveral NS	May 1984
Canyon de Chelly NM	April 1985
Cape Cod NS	July 1984
Cape Hatteras NS	7-25-83
Cape Lookout NS	April 1984
Cape Krusenstern NM	April 1985
Capitol Reef NP	10-3-83
Carlsbad Caverns NP	July 1984
Castillo de San Marcos NM	9-2-83
Chattahoochee NRA	May 1984
Channel Islands NP	7-19-83
Chaco Culture NHP	April 1984
Chickamauga and Chattanooga NMP	7-20-83
Chickasaw NRA	July 1984
Chiricauhua NM	May 1984
Colonial NHP	April 1985
Coronado NM	June 1984
Cowpens NHP	April 1985

Area	Clearance Date
Cumberland Gap NHP	June 1984
Cumberland Island NS	April 1984
Cuyahoga Valley NRA	1-9-84
Delaware Water Gap NRA	2-1-84
Thomas Stone NHP	May 1984
Death Valley NM	April 1985
Denali NP	April 1985
DeSoto NM	8-11-83
Dinosaur NM	April 1985
Ebey's Landing NHR	7-7-83
El Morrow NM	July 1984
Everglades NP	August 1984
Fire Island NS	6-9-83
Fort Caroline NHS	7-7-83
Fort Donelson NMP	July 1984
Fort Frederica NM	8-11-83
Fort Laramie NHS	June 1984
Fort Necessity NB	8-11-83
Fort Pulaski NM	May 1984
Fort Smith NHS	April 1985
Fort Raleigh NHS	8-11-83
Fort Sumter NM	May 1984
Fort Union Tr. Post NHS	August 1984
Fort Vancouver NHS	7-7-83
Fredericksburg-Spottsyl.	August 1984
Friendship Hill NHS	May 1984
Gateway NRA	May 1984
Gates of the Artic NP	April 1985
Gettysburg NMP	May 1984
Glacier NP	July 1984
Glacier Bay NP&P	September 1984
Glen Canyon NRA	April 1985
Golden Gate NRA	4-20-83
Golden Spike NHS	6-7-83
Grant Kohrs Ranch NHS	April 1984
Grand Canyon NP	April 1985
Grand Teton NP	8-12-83
Great Sand Dunes NM	August 1984
Great Smoky Mountains NP	4-19-83
Guadalupe Mountains NP	July 1984
Gulf Islands NS	9-30-83
Haleakala NP	April 1985
Hampton NHS	9-2-83
Harry S.Truman NHS	April 1985
Harpers Ferry NHP	February 1984
Hawaii Volcanoes NP	April 1985
Herbert Hoover NHS	9-2-83
Home of Franklin D. Roosevelt NHS	9-2-83
Homestead NM of America	April 1985
Hot Springs NP	June 1984
Independence NHP	10-18-83

Area	Clearance Date
Indiana Dunes NL	8-3-83
James A. Garfield NHS	11-15-83
Jean Lafitte NHP	10-18-83
John Day Fossil Beds NM	8-16-83
Johnstown Flood NHS	7-7-83
Joshua Tree NM	June 1984
Kaluapapa NHP	April 1985
Katmai NP&P	September1984
Kenai Fjords NP	September 1984
Kennesaw Mountain NBP	April 1985
Kings Canyon NP	June 1984
Klondike Gold Rush NHP	September 1984
Kobuk Valley NP	April 1985
Koloko-Honokohau NHP	7-25-83
Lake Clark NP	April 1985
Lake Chelan NRA	April 1985
Lake Mead NRA*	7-13-83
Lassen Volcanic NP	May 1984
Lincoln Home NHS	6-7-83
Lincoln Boyhood Home NHS	1-13-84
Lower St. Croix NSR	10-27-83
Lowell NHP	June 1984
Lyndon B. Johnson NHP	June 1984
Maggie Walker NHS	April 1985
Mammoth Cave NP	July 1984
Manassas NB	8-16-83
Martin Luther King NHS	6-3-83
Martin Van Buren NHS	10-6-83
Mesa Verde NP	April 1985
Minute Man NHP	April 1985
Montezuma Castle NM	April 1984
Monocacy NB	9-16-83
Morristown NHS	8-11-83
Mound City Group	12-21-84
Mount Rainier NP	2-23-83
Natchez Trace Parkway	10-6-83
New River Gorge NR	10-6-83
Nez Perce NHP	9-1-83
Noatak N. Pres	April 1985
North Cascades NP	7-5-83
Obed NSR	April 1984
Olympic NP	5-13-83
Organ Pipe Cactus NM	April 1985
Ozark NS Riverway	April 1985
Padre Island NS	April 1985
Palo Alto Battlefield NHS	April 1985
Petersburg NB	8-2-83
Pictured Rocks NL	March 1984
Piscataway Park	7-25-83
Point Reyes NS	8-10-83
Prince William Forest	April 1985

Area	Clearance Date
Richmond NBP	July 1984
Redwood NP	September 1984
Rocky Mountain NP	9-9-83
Ross Lake NRA	April 1984
Saguaro NM	July 1984
Salem Maritime NHS	8-17-83
Salinas NM	7-7-83
San Antonio Missions NHP	1-26-83
San Juan NHS	April 1985
Santa Monica Mountains NRA	9-7-83
Saratoga NHP	10-17-83
Scotts Bluff NHS	April 1984
Sequoia NP-Mineral King	6-14-83
Shiloh NMP	March 1984
Shenandoah NP	April 1985
Sleeping Bear Dunes NL	6-27-83
Springfield Armory NHS	7-25-83
St. Croix NSR	March 1984
St. Croix Island NM*	9-7-83
Theodore Roosevelt NP	May 1984
Thomas Stone NHS	April 1985
Tumacacori NM	April 1985
Tuskegee Institute NHS	6-7-83
Tuzigoot NM	March 1984
Upper Delaware WSR	June 1984
Valley Forge NHP	4-14-83
Vicksburg NMP	June 1984
Virgin Islands NP	March 1984
Voyageurs NP*	8-8-83
Walnut Canyon NM	April 1985
War in the Pacific NHP*	7-25-83
White Sands NM	April 1985
Whiskeytown NRA	April 1985
William Howard Taft NHS	6-7-83
Wilsons Creek NB	9-2-83
Wind Cave NP	April 1985
Women's Rights NHS	May 1984
Wrangell-St. Elias NP&P	September 1984
Yellowstone NP	April 1985
Yosemite NP	July 1984
Yukon Charley Rivers NP	September 1984
Zion NP	1-9-84

*Further review of plan required by Assistant Secretary

Question: Has the date slipped from that initially contemplated?

Answer: The Regional Directors were requested to accelerate the schedules for land protection plans in fiscal 1984. A few plans are undergoing revisions to meet minimum requirements, but more than 20 plans are being prepared ahead of the dates originally proposed.

Question: Has this had any impact on acquisition?

Answer: Virtually all of the areas with signifcant land protection issues and related needs for acquisition funding have plans that were concurred in during fiscal 1983 or are scheduled for completion in fiscal 1984. Lack of plans is not having a signficant impact on the overall acquisition program.

Question: What other steps do you plan to free up the acquisition process?

Answer: We plan to resume the use of condemnation by complaint to determine just compensation when negotiations reach an impasse because of price disagreement. We have also streamlined the processing of offers to sell over the appraised value and all other proposals requiring Congressional review.

Land Acquisiton Review Process

Question: It appears that land acquisition is now receiving more review at the Washington level despite the fact that land protection plans have been completed.

For example, at Jean Lafitte Park five offers to sell over the appraisal, at overages averaging 4 to 9 % above the appraisal, were sent to the Committees for review but it took between 3 and 5 months from the time the landowner signed the offer until the request was transmitted by the Department to the Hill.

One of the cases involved was particularly bothersome, involving a widow about to file bankruptcy. Only by playing a quick game of beat the clock, with some strong help from NPS, were we able to pick up that key tract after the offer expired and before the owner did in fact file for bankruptcy.

Why is there a delay of several months in these transmittals?

What will be done to streamline this process?

Answer: We did experience some delay in transmitting to the Committees, in accordance with section 312 of the Department's Appropriations Act and the reprogramming guidelines, the first several proposals to acquire properties at prices exceeding appraised values. Because the requirement to submit overappraisal acquisitions to the Committee was new and because it affected all land managing agencies in the Department, there was a need to develop a somewhat standardized Departmental procedure for reviewing and processing such proposals. Also, the coincident timing of the Supreme Court decision in INS v. Chadha, which broadly declared legislative vetoes to be unconstitutional, raised concerns at both the Department and OMB levels which had to be resolved. We have now developed a procedure which is designed to expedite the review process within the Department and OMB on such cases and at the same time provide the information necessary for the Committees to make an informed decision. We do not anticipate delays in the future.

Question: Congressional review is required on offers to sell that exceed the approved appraised value by any amount. Last year the Chairman and I entered into a colloquy on the floor stating that this process was not intended to delay or prevent or stop or deter land acquisition.

It is my feeling that this process is cumbersome and causing problems. Do you have any alternate suggestions you would like this committee to consider to the process we now have that will accomplish the purpose of holding down acquisition costs, having some Congressional input, but not create problems for the Department?

Answer: The Department is also concerned about the need to hold down land acquisition cost and the delays in land acquisition. In the private real estate market, after price agreement has been reached between owner and buyer, closings of real estate transactions are usually completed within 30 days or less. With the current procedure established by section 312 of the Interior and Related Agencies Appropriations Act, the Government negotiator must inform the landowner that any offer over the appraisal must be submitted to Congress for review and approval. While we believe the process has been improved substantially, it is still taking considerably longer than similar transactions in the private sector.

The appraisal of land is only one person's opinion of value. A landowner often has a much higher opinion of value for his or her land than the Government's appraisal reflects. Differences of opinion on value require extensive negotiations on the part of the Government before an offer to sell is obtained from a landowner. Many offers to sell are negotiated at the appraised value, but when price agreement cannot be reached the Government must either file a condemnation by complaint for the courts to establish value or acquire the property in excess of the appraised value. The decision to acquire a tract over the appraised value is always made after careful consideration of the impact on other transactions at the park and the costs and liability risks if the tract is acquired by condemnation.

Short of removing the requirement, we suggest either going to a less formal staff level notification procedure or only seeking Congressional approval if the offer exceeds a certain percentage, say 15 percent, over the appraisal under which concurrence would not be necessary.

Question: What has been the turn-around time in the Department on these appraisals?

Answer: As stated in response to a previous question, the first several proposals were delayed because of the need to develop a procedure for handling such proposals and because of the need to thoroughly review the impact of the Chadha decision. Now that those issues have been resolved the turn-around time is averaging about 2 weeks.

Question: How long has Hill review taken?

Answer: On the average, the Hill has responded within 4 to 5 weeks of receipt of a proposal.

Question: Have any offers expired in the process?

Answer: We have been able to accept all offers for which we have obtained approval from the two committees. It was necessary to obtain an extension on some of those offers but to date none have been lost.

Question: Please submit for the record a chart showing each tract over the approved appraised value, when the offer was accepted, when it was sent to the Department's Washington office, when it was transmitted to the Hill, and when approval was received from the Hill. Please note any special problems you encountered with each tract, if any. Please also note how many reviews there are for each within the Department and any plans you have to streamline this process.

Answer: The information is as follows:

NATIONAL PARK SERVICE
OFFERS TO SELL THAT EXCEED APPROVED APPRAISED VALUE

Area	Landowner	Date offer signed by landowner	Date sent to Department	Date sent to Hill	Date approved by House /	Senate	Date Offer Accepted
Appalachian NST	Old Town Run Motor Lodge	08/18/83	01/13/84	02/15/84	02/21/84		
Chickamauga & Chattanooga NMP	National Park Foundation	1/	01/30/84	02/02/84	02/15/84		
Delaware Water Gap NRA	Battali	11/21/83	02/02/84	02/15/84	02/21/84		
James A. Garfield NHS	Lake County Historical Society	07/20/83	10/25/83	01/13/84	01/17/84		
Jean Lafitte NHP	County Acres, Inc.	09/09/83	12/16/83	12/17/83	01/09/84	01/09/84	01/06/84
	Moschella	09/21/83	12/27/83	01/06/84	01/13/84	01/25/84	02/15/84
	Marrero Rod & Gun Club, Inc.	07/28/84	12/27/83	01/06/84	01/13/84	01/25/84	02/27/84
	Frentz	10/05/83	12/27/84	01/06/84	01/13/84	01/25/84	02/28/84
	Wilson	10/17/83	12/27/84	01/06/84	01/13/84	01/25/84	02/15/84
	Zinsel	02/12/84					
Olympic NP	I.T.T. Corporation	09/16/83	09/23/83	09/29/83	09/30/83	09/30/83	09/30/83

Area	Landowner	Date offer signed by landowner	Date sent to Department	Date sent to Hill	Date Approved by		Date Offer Accepted
					House /	Senate	
Olympic NP	Jensen	08/08/83	10/21/83	10/31/83	N/A	11/22/83	11/23/83
	Milwaukee Land Company	01/01/84					
Rocky Mountain NP	MacGregor Trust	08/02/83	09/23/83	09/29/83	09/30/83	09/30/83	09/30/83
San Antonio Missions NHP	Martinez	08/30/83	12/09/83	01/06/84	01/13/84	01/25/84	02/22/84
Voyageurs NP	Keller	09/09/83					

1/ It is proposed that this acquisition be an Offer to Purchase rather than an Offer to Sell. On the former, the Government signs the document first.

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

Oil and Gas Leasing

Question: According to a February 4, 1984 Instruction Memorandum (No. 84-254) from BLM Director Burford to all state BLM directors, ". . . the only areas that are not open to some form of oil and gas leasing should be those closed by legislation or regulation, or those included in or considered eligible for a formal withdrawal . . . ."

Is it the Department's interpretation of Sec. 137 of PL 98-151 that this is "legislation" within the meaning of the quoted phrase above?

If so, is it therefore the Department's intention not to begin processing oil and gas leases on "acquired" lands within the National Wildlife Refuge System unless and until the requirements of Sec. 137 of PL 98-151 are met?

Furthermore, is it the Department's understanding that Sec. 137 of PL 98-151 is in effect until it is repealed or until the Department complies with its requirements?

Answer: Yes, it is the Department's interpretation that Section 137 of PL 98-151 is legislation that closes certain areas to oil and gas leasing.

The Department does not intend to issue any oil and gas leases on acquired lands within the National Wildlife Refuge System as stated in our January 31, 1984, letter to Senator McClure and Congressman Yates.

It is the Department's position that section 137 will remain in effect until it is repealed.

SUBCOMMITTEE RECESS

Senator LEAHY. We will stand in recess until 2 p.m., Tuesday, February 28, in room SD-138, if everyone can find that with the new numbers, when we will receive testimony on the fiscal year 1985 budget request of the National Endowment for the Arts and the Office of Indian Education.

Mr. Secretary, I thank you for being here, and I appreciate very much your comments today.

Secretary CLARK. Thank you, Senator.

[Whereupon, at 11:35 a.m., Friday, February 24, the subcommittee was recessed, to reconvene at 2 p.m., Tuesday, February 28.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1985

THURSDAY, MARCH 1, 1984

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10:07 a.m., in room SD-138, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senators McClure and Bumpers.

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

STATEMENT OF ROBERT F. BURFORD, DIRECTOR

ACCOMPANIED BY:

- **LEONA A. POWER, DEPUTY ASSISTANT SECRETARY, LAND AND MINERALS MANAGEMENT**
- **JAMES M. PARKER, ASSOCIATE DIRECTOR**
- **NEIL F. MORCK, DEPUTY DIRECTOR FOR LANDS AND RENEWABLE RESOURCES**
- **ROBERT LAWTON, ASSISTANT DIRECTOR, MINERAL RESOURCES AND MINING LAW**
- **ARNOLD E. PETTY, DEPUTY DIRECTOR FOR MANAGEMENT SERVICES**
- **ROGER L. HILDEBEIDEL, CHIEF, OFFICE OF BUDGET**

BUDGET REQUEST

Senator McCLURE. The meeting will come to order.

This is the time scheduled to review the fiscal year 1985 budget request for the Bureau of Land Management and the National Endowment for the Arts. We will begin with BLM whose request for new budget authority, not including permanent appropriations, totals $538,309,000, an increase of $781,000 or 1 percent over the fiscal year 1984 appropriations to date.

The Bureau's fiscal year 1985 request for its major operating account, management of lands and resources appropriation, is $353,159,000, a decrease of $6,442,000 or 2 percent from the fiscal year 1984 appropriations to date.

Appearing on behalf of the administration this morning to testify in favor of BLM's request is Mr. Robert F. Burford, Director of BLM. I'd like to, again, welcome you before this committee and invite you to introduce those who will be testifying with you this morning.

Mr. BURFORD. Thank you, Senator McClure.

It is my pleasure to appear here to present the budget. Before we start, I'd like to introduce the people who are accompanying me. I don't believe we ever introduced Leona Power, who is the new Deputy Assistant Secretary for Land and Minerals Management; and Jim Parker, to my right; Neil Morck behind Jim; Bob Lawton; Arnold Petty; and Roger Hildebeidel.

PREPARED STATEMENTS

Both the Assistant Secretary and I have prepared statements which we would like entered for the record.

Senator MCCLURE. They will be placed in the record in full at this point.

[The statements follow:]

STATEMENT OF ROBERT F. BURFORD

Thank you for the opportunity to discuss the President's FY 1985 budget request for the Bureau of Land Management.

The Bureau of Land Management is responsible for the management, conservation, and development of both surface and mineral resources on 310 million acres of public lands located in 28 states. This area constitutes about 14 percent of the total land surface of the United States. Included in this total is 135 million acres of land in Alaska. The Bureau also administers mineral leasing and supervises mineral operations on the public lands, on Indian lands and on some 370 million acres of mineral estate underlying other federally-administered, State or private ownerships throughout the United States.

The FY 1985 Budget request reflects the continuation of the Administration's commitments to attaining a balanced use of the nation's public lands. The Bureau manages the public lands under the principle of multiple-use.

SUMMARY OF FY 1985 BUDGET REQUEST

The total FY 1985 Budget request for BLM is $608.9 million, a decrease of $2.7 million from the FY 1984 appropriations enacted to date of $611.6 million.

The FY 1985 budget continues to emphasize procedural changes to simplify decisionmaking processes and hold down Federal costs. It encourages volunteerism and private investment on public lands. Proposals for State and local governments and private users to fund a larger proportion of these programs which are of primarily local interest are included. These proposals are most relevant to grazing, recreation and wildlife programs where some program costs can be shared.

Last year, the onshore minerals programs of the Minerals Management Service (MMS) and the BLM were merged. As a result, the onshore minerals leasing program has been consolidated in the BLM; and the Bureau is now responsible for all pre-lease and post-lease minerals management activities. This has strengthened the Department's capability for management of the Nation's minerals resources in concert with the surface values of the public lands and other lands.

The BLM budget reflects the Administration's emphasis on achieving the appropriate development of mineral resources in order to reduce the Nation's dependence on foreign energy sources, to strengthen the economy, and to provide revenues to the Federal Treasury. The FY 1985 Budget request contains several proposals to enhance our capability for obtaining fair market value for mineral resources leased or sold. An intensive review of the simultaneous oil and gas leasing system has been completed and has resulted in the decision to implement changes in the SIMO regulations which will reduce abuses to the system. We are requesting additional funding in the FY 1985 budget to improve Known Geologic Structure (KGS) determinations, drainage reviews, inspection activities, economic analyses, and other activities which will ensure that the Federal government is receiving its full share of mineral revenues.

In FY 1985, BLM will collect an estimated $288.9 million in receipts, primarily from timber sales, non-competitive filing fees, grazing fees, and sales of lands and materials. In FY 1985 some $63 million of these receipts will be shared through payments to States and local governments. Additionally, the Bureau's responsibilities for mineral leasing and inspection of lease operations make a significant contribution to the collection of mineral leasing rents, bonuses and royalties.

MANAGEMENT OF LANDS AND RESOURCES

The FY 1985 request for the Bureau's largest operating fund, the "Management of Lands and Resources" (MLR) appropriation is $353.2 million, a decrease of $6.4 million from the FY 1984 appropriation to date. A more meaningful comparison with the base level of $369.3 million, which includes adjustments for the 1984 pay raise, transfers, management initiatives and other changes, shows a decrease of $16.2 million from the base level.

Activities funded in MLR include management of onshore minerals, processing of land use and disposal actions, development of an automated system for lands and minerals records, management of renewable resources on the public lands, operation of planning and data management systems for land and resource management planning, enforcement of laws protecting the public land resources and activities for prevention and control of fires.

I would now like to highlight major activities in the FY 1985 MLR request.

Onshore Energy and Minerals Management

The onshore energy and minerals management program includes evaluation, leasing and supervision of Federal and Indian coal, oil and gas, geothermal, oil shale and tar sands resources. Also included is management of nonenergy mineral resources such as phosphate, potash, uranium, sand and gravel, and administration of the mining laws. A total of $82,294,000, an increase of $5,318,000 over the base level, is requested for this activity in FY 1985.

Of that total, $43,228,000, an increase of $5 million, is requested for the oil and gas program in FY 1985. A major thrust will be ensuring that the Federal government receives its rightful share of revenues from minerals leased or sold. To this end, we already have implemented the Onshore Oil and Gas Lease Inventory and Inspection System (OGLIIS), which provides computerized support to aid in conducting oil and gas production inspections. The increase for FY 1985 is requested for additional leasing workload including Known Geologic Structure (KGS) determinations and drainage reviews. An effort now being taken to identify and maintain KGS determinations will result in an estimated additional 1.5 million acres of land being classified as KGS in FY 1985 and therefore eligible for competitive oil and gas leasing. Drainage reviews will be conducted to ensure that oil and gas on Federal land is not being drained by wells on non-Federal lands or by Federal wells with a lower royalty rate. A significant portion of the increase is requested to improve the inspection and enforcement effort and to implement the oil and gas inspection and enforcement strategy in response to recent legislation. We plan to increase the number of inspections conducted by nearly 20% to ensure that lease operations are conducted properly for conservation of the resource, protection of the environment, site security and verification of production in support of royalty accounting. Also included in the request is funding for additional energy program economic analyses, for processing additional lease assignments and for post-lease actions such as processing applications for permits to drill.

The FY 1985 request of $17,808,000 for the coal program is a decrease of $1 million. With the proposed level of funding, BLM will perform pre-sale evaluations and increased solid minerals inspection and enforcement work. The decrease primarily is due to lower levels of leasing activity and extension into 1986 of the deadline for PRLA processing.

The requested level for the oil shale/tar sands program is $2,654,000, an increase of $518,000. This level of funding will allow BLM to comply with the legislative requirement of completing the processing of tar sands conversion applications by February 1985 and to conduct activity planning for two potential oil shale permanent program lease sales, one of which is scheduled for FY 1985 and the other for FY 1986.

The request for nonenergy minerals management is $15,311,000, an increase of $800,000. The requested level will provide for leasing of minerals such as phosphate, potash and uranium and sale of materials such as sand and gravel. An increase of $500,000 is provided to augment BLM's effectiveness in administering surface management regulations to protect public lands from undue degradation from mining operations and to enable BLM to record additional mining claims. An increase of $300,000 is requested to provide enhanced capability to perform complex economic and policy analyses to ensure that the government receives fair market value for minerals leased or sold and to aid in identifying whether the Bureau's minerals programs are operating in a cost-effective manner.

Lands and Realty Management

The requested funding level for lands and realty management is $37,380,000, which is a decrease of $4,815,000 from the FY 1985 base level. The proposed level provides for processing of all non-cost-reimbursable applications for energy and nonenergy right-of-way projects. The program also includes processing of State Indemnity Selections and Desert Land Entries and work on resolution of the Navajo-Hopi resettlement. In FY 1985, as part of the Bureau's overall land disposal program which includes exchanges, boundary adjustments and sales, an estimated 40,000 acres of public land will be sold under the provisions of the Federal Land Policy and Management Act (FLPMA). Implementation of the automated land and mineral record system (ALMRS) will be continued in FY 1985.

In Alaska, 3.5 million acres of native conveyances, 4.2 million acres of State of Alaska conveyances and approximately 2,000 Native allotment parcels will be processed.

The $4.8 million proposed program decrease is made possible by funding of smaller rights-of-way cases through fees deposited in the "Service Charges, Deposits and Forfeitures" appropriation; decreased land sale activity; a change in the ALMRS implementation schedule; and a reduction in the number of Native allotments adjudicated. Because of the current backlog of Native allotments awaiting survey, this reduction will not delay issuing patents.

Emphasis in FY 1985 in the withdrawal review program will be on review of other agency withdrawals as well as review of waterpower and water storage classifications. An increase of $450,000 in the withdrawal review program is requested to fund the restructured waterpower classification program.

Renewable Resources Management

We are requesting $87,959,000 for FY 1985, which is a reduction of $12,441,000 from the base. Continuing emphasis is being placed on changes to administrative processes to improve and simplify program administration and on non-Federal cost-sharing in programs which are primarily of local interest.

The FY 1985 request for range management is $33,519,000. Included in this activity is the wild horse and burro management program which will continue at the base level. BLM will remove an estimated 10,500 excess animals. We strongly urge that legislation be enacted to provide authority to sell excess animals as a means of supplementing the adopt-a-horse program and to assist in protecting the rangeland resource. The requested funding level for grazing management is $28,438,000, a decrease of $3,800,000. This decrease is possible because of increased emphasis on cost-effectiveness through the categorization of grazing allotments, reducing the number of Allotment Management Plans (AMP's) prepared and encouragement of private cost sharing for on-the-ground range improvements. Funding will be concentrated on those allotments requiring intensive management to improve their condition and on monitoring range conditions and trends. Cooperative Management Agreements with additional livestock operators who have demonstrated their ability to protect the rangeland resources are also emphasized.

The soil, water and air program is budgeted at $12,882,000. A reduction of $4 million is possible because of decreasing soil and water inventory needs and reduced on-the-ground development of new watershed improvement projects. At the FY 1985 budgeted level, the BLM will conduct 7.8 million acres of soil inventory, 1.5 million acres of water use inventory and will file an estimated 1,200 water rights claims. Also included at this level is $1.3 million for implementation of a hazardous materials management program. In FY 1985, this program will emphasize a remote sensing inventory of 70.4 million acres for hazardous waste management problems, development of program policies and procedures, implementation of control systems, and assessment of future risk reduction from hazardous materials.

The wildlife habitat management funding request is $11,705,000, which is a reduction of $2.1 million. Less essential work is being deferred and we are pursuing a program for shared management and funding of habitat maintenance and improvements from non-Federal sources, especially for habitat important to game species and wildlife enhancements of State and local interest.

The FY 1985 funding level for recreation management is $16,077,000, a decrease of $2,541,000. This decrease is due in part to the winding down of the BLM wilderness study efforts which peak in FY 1984. The proposed level provides for interim management of wilderness study areas and completing scheduled wilderness studies. Protection of the most critical and publicly accessible cultural resources will be provided, with special emphasis on site protection and stabilization. The budget also provides for recreation planning on the most intensively used public lands. Continuing efforts will be made to establish non-Federal management of recreational areas of predominantly local or regional significance through cooperative agreements.

The public domain forest management and fire management programs are budgeted at the FY 1985 base levels.

Planning and Data Management

A total of $8,471,000 is requested for planning, a decrease of $650,000. In FY 1985, the BLM will start 7 new Resource Management Plans (RMP), complete 21 Resource Management Plans, and have 16 other RMP's in progress. In FY 1985 we will place increased emphasis on the maintenance and monitoring of completed RMP's as directed by FLPMA and by the planning regulations. Funding of Management Framework Plan (MFP) amendments will be by the benefitting activity or activities which require the preparation of the amendment.

Data management is budgeted at $13,738,000, which is a decrease of $425,000. A $1 million decrease in data management support to ALMRS is projected for FY 1985. For implementation of certain phases of the system we plan to lease the equipment rather than buy. Also, there is an offsetting increase of $575,000 to cover needs for data management support to the field resource programs.

Cadastral Survey

The FY 1985 budget request for cadastral survey is $20,281,000. Of this amount, $10,058,000 is for Alaska surveys, a decrease of $2,072,000. This program includes surveys of lands conveyed to the State under the Alaska Statehood Act, and conveyed to Native corporations, Native allotments, and entitlements under the Alaska Native Claims Settlement Act. At the budgeted level, BLM will conduct surveys on 1,500,000 acres of Native selections, 60,000 acres of State selections, and 350 Native allotment parcels.

The funding level for surveys in other States is $10,223,000, a decrease of $1,550,000. In FY 1985, lower priority surveys will be deferred; the program will emphasize surveys needed in support of energy and minerals development programs, forestry operations and realty program efforts.

Technical Services

The technical services activity includes resource protection and maintenance and engineering services. The total request for these programs in FY 1985 is $12,857,000. Resource protection provides for the enforcement of laws and regulations governing the management, use, and protection of public lands through cooperative agreements with State, local, and Federal law enforcement agencies and by BLM special agents. In FY 1985, we are requesting $2,376,000, an increase of $300,000, for cooperative agreements with local law enforcement agencies. These cooperative agreements generally provide for supplemental or new patrols on those public lands subject to a high degree of vandalism or drug-related activities.

We are also requesting $10,481,000 for maintenance and engineering services. At this level, there will be work on additional water, sewer, and electrical systems, increased engineering services, and a decrease in transportation maintenance.

General Administration

The requested funding level for general administration is $85,429,000, which is a decrease of $140,000. Increased costs for certain uncontrollable payments such as Standard Level User Charges (SLUC), postage and telephone service will be offset by decreases from relocating fewer BLM employees and estimated lower costs for leased long distance telephone (FTS) and unemployment compensation repayments.

Other major appropriations in our budget request include the following:

CONSTRUCTION AND ACCESS

No new construction projects are planned for FY 1985. The total amount of $1,228,000 is requested for access acquisition. At this level we plan to obtain 122 easements necessary to develop resources and get products to market.

LAND ACQUISITION

No new land acquisition projects or requests for funding are included in the FY 1985 Budget.

PAYMENTS-IN-LIEU OF TAXES

The FY 1985 budget level of $105 million for payments-in-lieu of taxes is the same as the FY 1984 level, and fully funds the program under the current statutory formulas.

OREGON AND CALIFORNIA GRANT LANDS

The request for the Oregon and California Grant Lands (O&C) appropriation is $49,747,000, which is the same as the FY 1985 base level. This level of funding will allow BLM to continue management of the O&C lands and Coos Bay Wagon Road Lands (CBWR) for forest production under the principle of sustained yield. In FY 1985, we plan to offer 1.051 billion board feet of timber for sale from all western Oregon lands. Also, the Bureau will conduct reforestation and other improvement work to enhance the growth of merchantable saw timber to provide a sustained yield. Funds are also included to protect these lands and to conduct support functions such as planning and facilities maintenance.

In FY 1985 no funds are being requested for transfer to the Forest Service for administration of O&C lands located within the national forests. Funding for administration of these lands is being requested separately by the Forest Service.

Other Accounts

The FY 1985 Budget again includes a request for $10 million for Range Improvements, the same level as FY 1984.

The FY 1985 Budget also includes the new account "Special Acquisition for Lands and Minerals", which has been established as an estimate of monetary credits or funds needed for acquisition of non-Federal mineral interests and rights within and contiguous to the Cranberry Wilderness Area in the Monongahela National Forest in West Virginia. Public Law 97-466 directed the Secretary to acquire the privately owned mineral rights underlying the Cranberry Wilderness Area. Acquisition could be accomplished either by cash or through issuance of monetary credits for the fair market value of the rights. Issuance of monetary credits is the most probable method. We are in the very preliminary stages of negotiating the acquisition of those mineral rights. We cannot determine with any degree of accuracy yet what the acquisition will cost. However, the budget reflects a tentative estimate of the monetary credits expected to be issued in FY 1985. This account is intended to represent the unfunded liability of the Federal Government as a result of the Act and the anticipated rate that the liability will be offset by credits against current mineral revenues. We are not requesting funds to purchase the mineral rights.

Finally, the Budget includes the request for an FY 1984 Supplemental appropriation of $38,160,000 to cover expenses incurred in FY 1983 for fighting wildfires on public lands and rehabilitation of burned over lands. This amount will be used to repay those appropriations from which funds were borrowed in FY 1983 under the authority of the Interior Appropriations Act to pay the costs of fighting some 2,632 fires that covered over 1 million acres of land.

Mr. Chairman, this concludes my prepared statement on the FY 1985 budget request for BLM. My associates and I are ready to answer your questions and provide whatever additional information is necessary to enable you to assess our budget request.

STATEMENT OF GARREY E. CARRUTHERS

I am pleased to have this opportunity to accompany Bob Burford and his associates in support of the President's FY 1985 budget request for the Bureau of Land Management. Director Burford will discuss the programmatic requirements, but first I would like to talk about our overall policy thrust and substantive legislative needs relative to our budget request.

The budget reflects the President's goal to hold the line on Federal spending while providing for a balanced program for the conservation and management of our natural resources under the policies and principles set forth in the Federal Land Policy and Management Act (FLPMA) and other applicable legislation.

Our Fiscal Year 1985 request allocates resources for accomplishing essential services and functions and the earlier stated programmatic goals and objectives of:

- enhancing our ability to meet our energy and mineral needs with domestic resources,
- balancing the use and development of our public lands,
- developing new partnerships with States and local governments and users in managing the public lands, and
- enhancing the Bureau's analytical capabilities; streamlining the decision process and eliminating unnecessary and burdensome regulatory requirements.

In the past few years we have made significant progress toward those goals. We have eliminated the backlog of applications for permit to drill, increased the number of inspections and pursued the enforcement of our regulations. We have also completed several wilderness studies and will be making recommendations for designations of various areas. Good progress is also being made in forging new partnerships with State and local governments and users. Six cooperative management agreements for livestock grazing were signed in FY 1983. Eighty-eight are projected to be signed in FY 1984.

Turning to the present, I would like to comment briefly on Secretary Clark's January 1984 decision to realign the Assistant Secretaries' responsibilities and how it will improve coordination and streamline decisionmaking.

As the Assistant Secretary for Land and Minerals Management, I oversee the Bureau of Land Management, the Minerals Management Service, and the Office of Surface Mining. By placing the minerals operating organizations under the same policy official, we can better assure that operations are carried out in an environmentally safe manner and that the public receive its full share of royalty revenues. Already we are realizing management efficiencies such as closer cooperation and coordination among the various bureaus.

Our request includes resources to further improve the process for obtaining fair market value and for making and implementing improvements in the SIMO leasing program. Further, we are taking action to ensure that KGS's are delineated fully and in a timely manner so that no lands will be leased non-competitively which should be classified for competitive leasing.

Turning to legislative needs--as you are aware, there is an excessive number of wild horses and burros on the public lands. We are vigorously pursuing the adoption of excess animals, but the process is slow and costly.

I urge the subcommittee to move expeditiously and report legislative authority to sell the excess animals. Under current law, such animals are to be destroyed and none of us want to see that happen. We are not doing it, but there are only a limited number of animals we can retain in corrals. Bob, perhaps, will talk more on that subject.

The FY 1985 budget proposal is fully supportive of the multiple-use concept, and with the efforts of the Bureau under the able leadership of Bob Burford and the support of Congress, the BLM's programs will continue to move toward further improvement in managing the public lands.

OPENING REMARKS

Mr. BURFORD. In keeping with my prior appearances here, I'd just like to open it up for questions at this time.

Senator MCCLURE. Thank you very much, Bob. As you know, you are welcome here; and I think I should not start, let alone finish, without complimenting you for the job that's being done downtown.

When we ask questions, it's from the standpoint of particular interests or particular areas of concern, and not any overall problem that we have as far as I'm concerned. I guess that wouldn't be universal up here anymore than it is anywhere else.

Mr. BURFORD. I'm checking to see which nameplates are up.

Senator MCCLURE. Well, you're very lucky to have a little competition down here. [Laughter.]

Mr. BURFORD. I've got a lot of competition today, I'm glad to note.

Senator MCCLURE. We didn't schedule it that way on purpose.

OIL AND GAS PROGRAM

The budget request for the oil and gas program is $43,228,000 which is an increase of 16 percent, $5,961,000, over fiscal year 1984 appropriations to date. The major increases to be funded are an additional $1,680,000 for leasing workload activities; an additional $1,220,000 for postlease and operational workload; an additional $1,650,000 for enforcement and inspection workload; and an additional $450,000 for energy, economic, and policy analysis.

However, I can't tell from your justification whether these increases are needed simply to keep up with additional costs of an expanded program or to improve the quality of the pre- and post-leasing activities and the inspections. Can you tell us how we should look at that increase in funds in that respect?

Mr. BURFORD. Perhaps I may call on Bob Lawton to elaborate on that. As you know, we took over the enforcement activities which formerly were contained in MMS.

Since taking over those functions in the merger a little over a year ago, we have found that there are some problems in enforcement and some problems in defining known geological structures. As you are well aware, I shut down the SIMO system because of concerns I had about the methods used to designate KGS's.

We are preparing to start the SIMO program up again with some regulatory changes. Some of these changes may result in increased workload, but we also do look for increased industry activity in oil and gas.

So the main increase in that budget is for an expected increase in our oil and gas workload due to some of the problems we've been finding that have occurred in the past, and we do need to correct them.

Senator MCCLURE. If I followed what you said correctly—and I don't want to misstate it so if I misstate it I hope you will correct me—I would understand that you expect there will be an increased workload occasioned both by volume—you said, at one point, that you expected a stepup in oil and gas—and——

Mr. BURFORD. Dependent on the economy, sir. I think that we are seeing a little increase in activity in drilling in the West that I know you're aware of. There's some concern in the country itself about the Hormoz Straits and, depending on some things like that, we think that we will see a gradual increase in oil and gas activity.

Senator MCCLURE. So you expect the economic activity and the activity of the industry to increase, and that that will increase the volume of work which you have to do.

Mr. BURFORD. We expect some increase in volume and a great deal of increase on the emphasis of correcting the problems that we've uncovered in the time that we've had this operation.

Senator MCCLURE. That's what I was kind of trying to separate is those two factors: How much of it is occasioned by increased applications, increased interest on the part of industry; and how much of your increased labor internally is occasioned by the desire to tighten up on the processes?

Well, I think in your justification you state that a major thrust would be to insure the receipt of fair market value. How much of it is kind of directed in that direction?

Mr. BURFORD. I think I'd have to break that question out and report back for the record on that with some more exact figures than I could come up with at the present time.

Senator MCCLURE. All right; if you would do that.

[The information follows:]

OIL AND GAS INCREASE

The $5 million increase in the BLM's oil and gas program is directed toward meeting both the increased numbers of applications, assignments and other quantity-related workload imposed by market and industry demands, and also the quality-related improvements in oil and gas leasing decisions and the supervision of operations which have been imposed internally by the Department. For example, $560,000 of the increase is required to process applications for drilling permits and lease assignments. Another $640,000 will be used for prelease NEPA and geology, energy, and minerals (GEM) assessments which support the issuance of additional leases in the future. The $1,650,000 requested for enforcement and inspection is not only associated with expected workload increases but also with full implementation of the requirements of the Federal Oil and Gas Royalty Management Act of 1982. The request for additional funds related to KGS determinations ($980,000) and drainage reviews ($720,000) is primarily a quality-related item to insure that appropriate leasing decisions are made and to protect Federal resources. Funding for energy and economic policy analysis ($450,000) is a quality-related item needed to analyze and assess the complex issues involved in determining the value of public resources suitable to be offered for lease sales during fiscal year 1985.

INSPECTION AREA

Mr. BURFORD. Maybe Bob has something to add on that budget. He's more familiar with that.

Mr. LAWTON. Yes, sir. I'm Bob Lawton.

Part of the increase that we anticipate and that we can identify is in the inspection area. We anticipate about a 7.5-percent increase in this area.

We know we're going to have an increase in assignments. We will have additional work in evaluation and in processing APD's—applications for permits to drill.

These are the areas that we have covered in addition to NEPA processing. We have increased this and our resource inventory work. We have also increased this by roughly an additional $1.5 million.

Mr. BURFORD. On the fair-market value question, if you'll look in the budget there's a request for an increase of $460,000 and six FTE's, which is for an economic policy evaluation group which will be located in Washington, to make sure that all of the things that come out of the "Linowes Report" are addressed in the Bureau and to address other fair-market value questions as they arise.

Senator MCCLURE. Well, you mentioned the problems in the simultaneous oil and gas leasing program—partly growing out of the failure to properly apply criteria under existing regulations and practices with respect to known geological structures. You have earmarked in your budget request a $980,000 increase for maintaining and improving the existing data base with respect to KGS's.

What will this $980,000 increase permit you to do in that area?

Mr. BURFORD. It will allow us to complete the identification of places where we now suspect there may be a need to deline KGS's. This requires looking at well logs, production data, all the information that we can possibly get. There are two large data banks on oil and gas structures; one is located at the University of Oklahoma; the other is located at a private well service information center in Denver, CO.

We intend to make use of all that information as well as cooperating with State oil and gas commissions to make sure that the Federal Government is protected as far as KGS's are concerned. I think we have asked for about 40 additional bodies to do this work. Most of those 40, I think, will be located in the high oil and gas producing States.

Senator MCCLURE. I notice your justification, along with identified increased workload in general terms, also indicates that you expect to add 1½ million acres that would be classified for competitive oil and gas leasing.

As I recall, your internal staff review of failures of application of the KGS criteria indicated that you not only were not using all the information that you had, you were not capable of getting all the information you needed.

Can you tell us that the increase of $980,000 is going to rectify both of those difficulties?

Mr. Burford. It's our best estimate that it will.

Senator MCCLURE. I'm concerned because, as a matter of fact, there's a wealth of information and apparently we haven't been using all that we had; but there's also a wealth of information you don't yet receive but is there.

I want to be sure that I understand you to say that this is going to be directed toward the quality of the work. As I go through the figures in the justification it appears to me that you're really looking at increased volumes more than you are at increased quality.

OIL AND GAS BACKLOG

Mr. BURFORD. We think that the increase we're asking for is going to allow us to get the quality of work we need. As you probably know, we did find out that there hadn't been a KGS defined in Wyoming since 1972.

Obviously, there's a backlog of work there. We're looking now at a possibility of asking for additional funds or for some reprogramming within the Bureau or perhaps within the Department—we don't know yet—in 1984 to get this started.

Senator MCCLURE. If I press at all on this subject—and I hope you think I am——

Mr. BURFORD. Yes, sir.

Senator MCCLURE [continuing]. It's because of the past record. Time after time field personnel stated that there was a backlog of cases to be clearlisted or a backlog of checks to be made with the State supervisor of oil and gas operations. Yet your budget justifications for each of the past 4 years have uniformly stated that the budget request was adequate.

For the record, we've been asked for $95,088,000 during these past 4 years and we've provided $98,236,000. So we haven't undercut the program that was requested. We've given everything that was asked and a little bit more.

Every time that we've gone into this question we've been told that it was adequate in spite of the fact that the field personnel were saying that they were not getting the job done. After the fact, looking back at it, we can say, yes, indeed, the field personnel were right. They weren't getting the job done. That clearlist was not backed up. A State supervisor of oil and gas operations had not been able to make all the checks that he felt he ought to be able to make.

So I have to press a little bit to be assured that you and your people have looked at the problem and can tell us with a clear conscience and with full recognition that you'll be called to account if something else comes up, as it has in the past year, that somebody's going to say, Mr. Burford, why, after being warned of this problem, didn't you get it corrected adequately?

Mr. BURFORD. Well, as you know that transfer was made; and I hate to go back on history, but I've found out a lot of things in the past year and a half about the operation that I took over from the old Conservation Division of USGS. It's been about a year that I've had actual control over it.

I'm probably still in a learning curve on it, but I think that this budget request is adequate to address the problems that we have uncovered. I'm going forward on that assumption.

Senator MCCLURE. Are you considering either a reprogramming or a supplemental for 1984?

Mr. BURFORD. I'm looking at that problem right now; and if I make the determination that it's necessary, I'll be back in front of the committee.

Senator McClure. OK. I think one of the greatest difficulties that you have or we have is dealing with something that's been going on as long as the management of public lands; the people that have been there for a long time tend to get frozen into their own little niches.

Over a period of time they see less and less outside of the parameters of their immediate workload. I think that oftentimes leads to a progressive elimination of any peripheral vision and you end up getting what we saw in this instance where one agency of the Federal Government had a lot of information that another agency of the Federal Government didn't even know existed, didn't even ask for.

Had they been working with some breadth of vision over that period of time, they'd have found that out. We might not have gotten into the problem that the program got into.

As you know, there are a great many critics of the leasing system up here in the Congress and a lot of them are just sitting back in glee saying, I told you so. It's a lousy system.

Now you're telling us that you're going to be able to make that system work and you're going to have to convince those critics that, indeed, what happened was an aberration and not because of the system.

Mr. Burford. In my viewpoint, the system will work if it's administered properly. I think the system is the best system possible given the extent and the large percentages of public lands in some of the Western States and the large amount of activity that's going on out there now.

I think it's in the best interest of the United States to encourage wildcat exploration by a SIMO system and an over-the-counter system. At the same time, after we make a discovery, we should have the means whereby we can identify as far as we reasonably think that particular geological structure goes using all available knowledge and technology to do that.

Between the two processes, working the system both ways, we should get a maximum financial return to the Federal Government and at the same time promote exploration.

COAL LEASING

Senator McClure. Let me turn for a moment to coal leasing. Your request for the coal leasing program is down 4 percent from the 1984 appropriations to date. This request is $17,808,000. That's down $790,000.

I know that the Department isn't ready to respond fully to the "Linowes Commission Report," but in spite of that, and I understand that, I think I'm accurate in saying that the budget calls for one regional coal sale in 1985 compared to four in 1984. I understand, too, that the Secretary has now decided to hold all coal sale schedules in abeyance pending review of the "Linowes Report."

Is that accurate?

Mr. Burford. Yes. That's correct.

Senator McClure. In 1984, the committee made no reduction to the coal budget even though the moratorium was to be in place. Assuming that the BLM does not hold four regional coal sales in 1984, what do you intend to do with the money budgeted for those sales?

Mr. BURFORD. Do you want to go over that work plan you have, Bob?

Mr. LAWTON. Yes, sir. The 1984 budget was to fund the preliminary work for upcoming sales and those for a longer term. Under this program we did our land use planning, our activity planning for the individual coal sales tract evaluation and leasing levels and the work required to come up with the site-specific sales tracts themselves.

This is the work that has been done and that we are continuing to do. Even though the schedule is now held in abeyance, this work is not wasted. It has been done, and it will be ready at a future time when a decision is made.

Senator MCCLURE. Well, you're programmed for four sales. That's been held in abeyance. You now plan one.

Yet the money doesn't reflect the difference in workload.

Mr. LAWTON. The original schedule was for four sales in 1984. The early work that was required for that was to develop the regional sale EIS's. This work was begun and is continuing.

The activity planning has been completed using the money that was appropriated for this specific program.

Senator MCCLURE. So you now program for one sale in 1985?

Mr. LAWTON. We have planned one sale; yes, sir. In our 1985 budget our decrease of $1 million is for activity planning and for site-specific EIS work. This is the decrease that we are proposing.

Senator MCCLURE. Well, I still find it a little difficult to understand why, if you did all the work for four and the preliminary work for one, that you now have preliminary work for one remaining to do but it still takes the same amount of money.

COAL PROGRAM DECREASE

Mr. LAWTON. No, sir. We have decreased the amount of money by $1 million.

Senator MCCLURE. Down 4 percent.

Mr. LAWTON. Yes, sir.

Senator MCCLURE. You've cut the sales program by 80 percent——

Mr. LAWTON. And we have cut——

Senator MCCLURE [continuing]. And the money goes down 4 percent.

Mr. LAWTON. As part of that decrease, we have cut out three activity plans, three site-specific EIS's, and 26 exploration licenses. This is work that we see will be falling off; the work that has been done on the sales that were scheduled for 1984 will be available when the decision is made by the Secretary.

Senator MCCLURE. How much does it cost to do one EIS?

Mr. LAWTON. An EIS will run about $300,000 to $400,000.

Senator MCCLURE. And you will be doing more or less?

Mr. LAWTON. We'll be doing three less of those.

Senator McClure. Three less. That alone accounts for more of a decrease than the decrease you've requested in your budget, let alone all the rest of the activities associated with it.

Mr. Lawton. Well, I'm not certain that the full $350,000 would have been committed. Some of these were supplemental EIS's, and I don't know which specific three we have cut out. It might not have been that full amount.

Those are the areas that we have decreased—both activity planning and EIS work.

INSPECTION AND ENFORCEMENT

Senator McClure. Inspection and enforcement.

Mr. Lawton. We have increased inspection and enforcement by $900,000. The total decrease that we're taking is about $1.9 million in the presale activity. This would account for all of the areas that I have discussed that we are cutting back.

Senator McClure. Mr. Burford, it costs some money to conduct a sale and if you program the money to have that sale and then you don't have it, there's some money that shouldn't be spent unless all that is being done is to use that money to maintain the bureaucracy.

Mr. Burford. That's not what I intend to do.

Senator McClure. I understand that; and I suspect the people below you are not telling you the truth, the whole truth, and nothing but the truth, so help them God.

Mr. Burford. I think that, in general, I've gotten pretty good reports out of most of my people.

Senator McClure. All right. Where's the money going to go that is not going to be spent for the activities for which it was programmed?

Mr. Burford. I think we cut about $1.9 million, as Bob said, and then increased the inspection and enforcement activities by about $900,000.

Senator McClure. All right. Can you show in detail how you've increased the inspection and enforcement.

Mr. Burford. I will get that back to the committee for the record.

[The information follows:]

Inspection and Enforcement Increase

The increased funding for inspection and enforcement in fiscal year 1985 is, in reality, the result of a program workload shift from preleasing to postleasing activities.

The budget request reflects projected workload decreases in several categories of preleasing activities, as follows:

The reduction of coal activity plans from five to two in fiscal year 1985 will result in a workload dollar increase of about $800,000.

The number of site-specific environmental assessments (EA's) will increase (+6) while the number of site-specific EIS's will decrease (−3). The increase in the number of EA's will partially offset the savings realized by doing fewer EIS's, resulting in a net reduction of $450,000 in fiscal year 1985.

In fiscal year 1985 the Bureau has estimated that there will be a reduction in the number of coal lease exchanges. This reduction is expected to be offset by an increase in the number of lease modifications (+6 units) and lease bonds issued (+20 units). Therefore, this reduction in the number of exchanges does not yield dollar savings.

The major expenditures for PRLA's are expected to occur in fiscal year 1984. In fiscal year 1985, the Bureau will be in a position to either issue or reject an estimated 66 PRLA's (65 more than in the fiscal year 1985 base). In this case we show an increase in the number of units reported with no corresponding increase in the budget request.

Finally, reductions in the numbers of exploration licenses and land use planning studies will result in cost reductions of $490,000 and $150,000, respectively.

This overall reduction in preleasing workload amounting to approximately $1,900,000 covers the $1 million decrease in the fiscal year 1985 coal program funding request and the $900,000 redirected to inspection and enforcement (I&E) activities. The I&E increase will permit the Bureau to conduct an additional 400 inspections in fiscal year 1985, a 17-percent increase over fiscal year 1984. This will insure an adequate capability for the inspection of solid minerals operations on Federal leases.

JUSTIFICATION OF INCREASE

Mr. BURFORD. I think on page 47 there's an increase of 400 inspections compared to fiscal year 1984.

But I will make a compilation of that and get it to the committee.

Senator MCCLURE. Can I ask you to do something instead of that?

Mr. BURFORD. Yes, sir.

Senator MCCLURE. I don't say I don't want the compilation, but I suspect if I ask you for a compilation that justifies it you can come up with one. What I would rather that you do is to take a hard look at it and see if, honestly in your own mind, it is justified.

Mr. BURFORD. All right. I will do that myself.

Senator MCCLURE. Because there's a mismatch here. There may be justification for it and it may be that after you look at it carefully and closely you'll agree that it is.

Mr. BURFORD. I'll get you an answer to that.

ENERGY RIGHTS OF WAY PROGRAM

Senator MCCLURE. In another area, you are proposing a decrease of $2½ million in the energy rights of way program—that's a 36-percent decrease—as a result of an increase in collections from applicants for rights of ways. The current procedure is for BLM to recover direct costs in excess of $5,000 and to recover a nominal nonreturnable fee based upon a rate per mile for less expensive rights of way applications.

The proposal to increase cost recovery has been considered several times by this committee and rejected each time because you haven't been able to demonstrate what the impact would be on the small energy operator or the rancher in the example of the nonenergy rights of way program. Yet you state in your justification, at page 71, "the Code of Federal Regulations is being revised during fiscal year 1984 to implement this change."

As a matter of procedure, I would remind you that Congress added $2½ million to the President's fiscal year 1984 budget for energy-related rights of way and the only way you can change that program during fiscal year 1984 is through some subsequent congressional action such as a reprogramming proposal. We've not yet been satisfied that the rights of way cost recovery proposals are reasonable.

I want your assurance that this change will not occur without congressional concurrence. Can you give me that assurance at this time?

Mr. BURFORD. Yes, sir. We'll have that proposal to you before it's sent out for public comment.

NONENERGY RIGHTS OF WAY PROGRAM

Senator MCCLURE. What is the situation with regard to the nonenergy rights of way program? Is that also being proposed to be changed?

Mr. BURFORD. We have a task force studying that at the present time.

Mr. MORCK. Yes; the task force is developing that and we're reviewing basically to make the two programs similar—so that they will operate in basically the same manner.

Senator MCCLURE. On page 78 you indicate again that you intend to change the program during 1984. I would make the same comment with respect to this program that I did on the earlier one; that Congress has seen fit to specifically reject such suggestions in the past.

I don't think you can accomplish that without subsequent congressional action.

Mr. BURFORD. Well, I don't anticipate that those regulations will be anything except proposed during 1984—at which time we will brief the committee or committee staff, whichever you decide.

Senator MCCLURE. I would appreciate that. I think you know as much about the problems of rights of way over Federal lands as anybody in the country does. I think you know the background of the difficulty between the user of a right of way and the BLM. Now, there's a practical problem out in the countryside.

Mr. BURFORD. Yes, sir. I recognize it, and I have it called to my attention every time I get out there.

Senator MCCLURE. Well, you used to do that yourself; calling it to the attention of the people on the other side.

Mr. BURFORD. I'll have to plead guilty on that count.

Senator MCCLURE. Perspectives change when you get on the other side of the table.

Mr. BURFORD. Yes, sir.

Senator MCCLURE. I just ask you to remember a little of the perspective you had when you were on this side of the table.

Mr. BURFORD. I'm just beginning to wonder if maybe I've been in this job so long that I'm at the bottom of that pyramid you were talking about.

Senator MCCLURE. Sometimes you have to ask yourself that, but if you remember to ask yourself that I think you'll do a pretty good job.

Mr. BURFORD. There are still enough people out there in the country that know me to call me up every once in a while and remind me of a few things.

DESERT LAND ENTRIES

Senator McClure. Can I turn to an old, old problem? Desert land entries.

Substantial injustice has been done by an agency of the Federal Government that has and continues to violate the law of the land. That has nothing to do with whether I like desert land entries or don't like desert land entries. It has to do with what is the current law.

The current law makes certain specific statements; that certain things are done, certain actions taken, the Government shall do certain other things. The Government doesn't like doing those other things so it simply doesn't do them.

There is a bureaucratic change in the law simply because the bureaucracy wants the law changed or doesn't like it the way it is. That's the background.

You or your people have determined that you don't like to turn that much land loose under the desert land entry program and, therefore, you'll only do it at an optimum rate. There's no sanction in the law for that. It is simply bureaucratic fiat.

Now, as a matter of fact, if I look at the backlog of applications and the current rate at which they are being processed, it will take until 1989 or 1990 to process the outstanding applications. Am I correct in that computation?

Mr. Burford. That's approximately correct.

Senator McClure. How long have those applications been pending?

Mr. Burford. I don't have that information.

Mr. Morck. There's a considerable variance in age; we would have to provide that for the record.

Senator McClure. It's fair to say some of them have been outstanding for 20 years, isn't it?

Mr. Morck. That's probably close. There are some that have been there——

Senator McClure. Nineteen, eighteen, seventeen?

Mr. Morck. Well, I can't give you a figure today, Senator.

[The information follows:]

Desert Land Entry Applications

At the end of fiscal year 1983, there were approximately 2,900 desert land applications pending action in the Bureau, most of which had been filed in Nevada and Idaho. The age of the applications varies; four were filed as early as 1963. In fiscal year 1985, the Bureau plans to process 550 of the estimated 2,450 cases which will be on file at the beginning of fiscal year 1985. Circumstances in Nevada and Idaho presently are limiting BLM's ability to proceed at a faster rate:

Nevada.—BLM and the State of Nevada have a very successful working agreement to insure that groundwater reserves are not over-allocated. The State engineer makes a determination in each hydrologic basin as to the number of acres that can be irrigated without a serious overdraft. Only after this determination does BLM proceed to examine the land since, in most cases, there is insufficient water to proceed with the application processing. We do not believe it is desirable or feasible to exceed the current pace.

Idaho.—An Idaho Supreme Court decision rendered in November 1982 affected water rights on about 90 percent of the Snake River and its tributaries. Based upon this decision, the Idaho State Department of Water Resources has not acted upon any request for a water permit since December 1982. About 85 percent of the desert land backlog is involved in this decision area, all of which must be suspended for lack of a showing of water availability. We are, therefore, able to process only those desert land entries located outside of the decision area or take rejection action on those inside the decision area that do not otherwise meet disposal criteria. If the decision is modified or reversed prior to fiscal year 1985, BLM will increase the number of cases processed in Idaho.

Desert land backlogs also are dependent upon promotional ("filing service") activities, particularly in Nevada, the only State where residency is not a requirement. A substantial portion of the backlog there is a residual from an estimated 3,200 promoter-generated applications from California, Colorado, and Utah, as well as Nevada.

PROCESSING DESERT LAND APPLICATIONS

Senator McClure. You know, this gets so ridiculous that it's almost embarrassing to have to bring it up again. I just don't understand how a government that's committed to the administration of the laws of the land can permit itself to be put in the position of deciding that they don't like the law so they'll defeat it by administration.

There've been several requests for Congress to change the Desert Land Act and the Congress has refused to do so. There are hundreds of law abiding good American citizens who look at the law of the land and say, "This is something I can do," and they put their money on the line; and the Government destroys them economically because it doesn't like for the citizens to exert their rights under that law.

That's a substantial injustice. It's a perversion of the administrative process.

Mr. Burford. Well, I have no defense; but I will look into that and see if there is some way we can speed up the process and act on the applications.

Senator McClure. See, I've been in Congress, now this is my 18th year. Some of these were old applications when I first came.

I've sat in the Bureau of Land Management State Director's office in Boise when he told me they didn't think it was a good idea to let that much land go that fast so they had decided how fast they would let it go.

Mr. Burford. Is that State director still there?

Senator McClure. I asked him where he found sanction in the law for that kind of decision and his answer was silence. Now, he didn't get fired. He kept on working until he got to retirement age and he's since retired.

But I haven't seen any change in policy either during his administration or since, nor did I see any change in administration as we moved from the Johnson administration to the Nixon administration to the Ford administration to the Carter administration to this administration.

I could point out, as you would know, that these are primarily in Nevada and Idaho; 2,900 applications covering over 1 million acres of ground, approximately 550 cases. We have some other specific problems with respect to particular ones; but, you know, this is just a ridiculous situation.

It becomes a major impact when they're permitted to accumulate; and then, if you process them all at once, indeed it does have a major impact. But the only reason it would have that is because they've been permitted to accumulate.

New applications are declining. The result is that the backlog is beginning to shrink a little. You're processing them a little faster than they come in.

But there's also been created a tremendous hiatus between two different programs. As people began to find out that, as a practical matter, no matter what the law says, BLM wasn't going to process those applications, they moved over to Carey Act applications thinking maybe if they couldn't get it done one way they'd get it done another way. Now you have overlapping applications and conflicts where none had existed before.

I hope you'll do something to help us solve that problem.

Mr. BURFORD. I will look into it personally and report back to you what I can do.

Senator McCLURE. Thank you. Senator Bumpers?

Senator BUMPERS. Mr. Burford, I'll give you three guesses as to what you think I'm going to ask you about.

Mr. BURFORD. I don't have the faintest idea, Senator. I assume that you're going to ask something about Arkansas.

Senator BUMPERS. You're an absolute genius. [Laughter.]

LINOWES COMMISSION REPORT

First of all, what, if anything, has BLM done to come into compliance with or to alter its coal leasing policies pursuant to the "Linowes Commission Report?"

Mr. BURFORD. There is a task force at the Department presently studying the recommendations and what has already been done and what we anticipate will be done in response to the Linowes Commission. That task force is working directly under the Under Secretary of the Interior inasmuch as the Linowes Commission looked at some actions taken by Assistant Secretary Carruthers and possibly some actions which I took. So we are not in the line of command as far as that task force review is concerned.

That report will be sent up to the Secretary. The Secretary will act on it, and Congress will have that report within the requested 30-day period. I can assure you that the Department's responses to the Commission's findings will be in the hands of the Senate and the House by—I think the date is March 19.

Senator BUMPERS. Under the provisions of the moratorium on coal leasing, you will recall Congress has 90 days from the filing of the report in which to act.

Mr. BURFORD. Yes, sir, I do.

Senator BUMPERS. It's really important to us not only to get the report but also to get a commitment from you and the Secretary that certain changes are going to be made. I'm not one who's just absolutely intractable about coal leasing.

But in order for Congress to respond intelligently to the Linowes Commission's recommendations we need not just a report from you, but an assurance that certain changes are going to be implemented in your coal leasing program.

Can we anticipate that?

Mr. BURFORD. Yes; if you look at our budget, we are setting up a policy and economic analysis group within the Bureau of Land Management to study all the portions of the "Linowes Report" which deal with fair market value. We'll make experiments and have that office perform all the economic analysis, in answer to the "Linowes Commission Report" recommendations.

AMOS DRAW LEASES

Senator BUMPERS. Mr. Burford, has BLM been able to determine how much the Amos Draw oil and gas leases that we know were renegotiated sold for?

Mr. BURFORD. We don't have any——

Senator BUMPERS. NBC did a segment one night on the Amos Draw leases. NBC said that 12 of the 18 leases were renegotiated within 6 weeks after the lottery drawing for between $50 and $100 million. Have you made any effort to determine just how much those leases were sold for?

Mr. BURFORD. We have made an effort to find out, but we have no way of demanding that information.

Senator BUMPERS. Eighteen leases were offered in the Amos Draw in the lottery. Twelve had been renegotiated within 6 weeks after the lottery.

Do you know whether the other six have now been renegotiated?

Mr. BURFORD. I don't have that information, but I can check with Wyoming and find out if there are applications to transfer those leases.

[The information follows:]

AMOS DRAW LOTTERY

In the vicinity of Amos Draw, 16 noncompetitive leases have been issued, and 2 lease applications are under review. Of the 16 leases issued, 10 have been assigned. There are currently six assignment applications awaiting approval. Processing of these assignments has been deferred pending the conclusion of the Bureau's study of the circumstances surrounding issuance of the leases.

LEASING IN OUACHITA NATIONAL FOREST

Senator BUMPERS. Incidentally, I wrote Secretary Clark a rather lengthy letter yesterday asking him—and I'll ask you now—to discontinue leasing any lands on a noncompetitive basis in and around the Ouachita National Forest in Arkansas. Front page stories down there have for some time quoted some reputable geologists as saying that there could be as much as 4 to 10 billion barrels of oil under the Ouachitas. But the BLM is just continuing to lease that land on a first come, first served basis for $1 an acre even though private landowners down there are getting anywhere from $100 to $300 an acre right next to the forest.

That doesn't make much sense, does it, Mr. Burford?

Mr. Burford. That particular case in point has not been brought to my attention. I will look into it.

Senator Bumpers. You imposed—and I commend you for this—a moratorium after the Amos Draw lotteries drawing.

Mr. Burford. Yes, sir.

CHANGES IN SIMO PROGRAM

Senator Bumpers. Secretary Clark then came out with what he said was a new approach to the simultaneous leasing program and he instituted two changes. One was that people who put up $75 to get their names put in the lottery would also have to put up the rental of $1 an acre for those particular tracts.

In other words, for a 1,000-acre tract, you have to pay $75 to get your name put in the lottery——

Mr. Burford. Plus the first-year rental, sir.

Senator Bumpers. Pardon?

Mr. Burford. Plus the first-year rental.

Senator Bumpers [continuing]. Plus the first year's rental of $1,000 in this hypothetical case I'm talking about. I want to come back to that in just a moment. The second thing the Secretary said he had done was to change the procedures for determining known geological structures. Now, that has been within the province of the U.S. Geological Survey which obviously doesn't know, as I don't know, what a known geological structure is.

DEFINING KNOWN GEOLOGICAL STRUCTURES

The method they've been using I consider to be outrageous. I couldn't believe that people who held themselves out as geologists would simply say that every time somebody finds a gas or an oil well they would just draw a circle a mile around it and say that's a known geological structure.

That's hardly a precise scientific method; but I must confess the law defining a known geological structure would also defy God.

Now, the Secretary has said that he wants to do something about that procedure and that the Amos Draw scandel occurred because of ineptitude and the BLM's inexactness in determining known geological structures. Now, what are you going to do to make sure we don't have any more Fort Chaffee, Amos Draw, Ouachita Mountain, or other situations?

Mr. Burford. As you said, in the past, undefined known geological structures were outlined by a compass, without much attention being paid to the geology. Prior to the disclosures that came about in Amos Draw, I had started looking into this method. I applied the way that most geologists thought a known geological structure should be defined. I sent a memo to the field and——

Senator Bumpers. I'm sorry. I can't hear you. Should be defined as what?

Mr. BURFORD. I said I sent an instruction memorandum to the field instructing the people who had formerly been in the Conservation Division of USGS, and just a little over a year ago transferred into the Bureau of Land Management, that they were to use geology and not to use well spacing in defining KGS's. That is the other change that has been made. As a result of that change—I don't think I have the exact figures with me, but perhaps Bob Lawton could help me on this—one KGS in Utah was expanded about threefold.

Mr. LAWTON. Yes; about 300,000 acres.

Mr. BURFORD. And there have been similar moves made in all the State offices. I've asked for some additional money in this budget in order to make sure that we do get all the geological information from the University of Oklahoma, where there is a centralized system and geological information and well logs from Petroleum Information out of Denver, which is a private service. We're using as much information as we can possibly collect. In order to keep on top of it, we will be reevaluating KGS's in a much more scientific manner than was ever done in the past.

Senator BUMPERS. Well, in the case of the Ouachitas, for example, major oil companies are moving into the area buying up everything in sight. If they think it is a known geological structure, shouldn't USGS think it is too?

Mr. BURFORD. Well, I think that question——

Senator BUMPERS. Or is the word known?

Mr. BURFORD. I think perhaps that question should be directed to the USGS. I have a part of what used to be USGS under my purview at the present time, but——

Senator BUMPERS. Let me ask you this question, Mr. Burford. Just recently 18,000 acres of an area near a Corps of Engineers lake in Arkansas was let for $18,000. The State estimates the value of the tract at $3 million. Would that indicate to you that somebody thinks that's a known geological structure?

Mr. BURFORD. Yes, sir.

Senator BUMPERS. This area is near the Ouachitas; shouldn't that be a good enough reason to discontinue all noncompetitive leasing in the Ouachitas?

Mr. BURFORD. I'll have to look into that before I can give you an answer, because I was unaware of it.

Senator BUMPERS. Are you a lawyer?

Mr. BURFORD. No, sir.

Senator BUMPERS. That's too bad.

Mr. BURFORD. Some people don't consider it to be too bad.

COMPARISON OF BINGO AND OIL AND GAS LOTTERY

Senator BUMPERS. No; I'm one who never apologizes for that. I'm going to make all my children become lawyers, whether they practice or not.

In any event, did you know that bingo is a violation of the Federal gaming laws?

Mr. BURFORD. No, sir.

Senator BUMPERS. You know what bingo is, don't you?

Mr. BURFORD. I do know what bingo is, even though I'm not an attorney. [Laughter.]

Senator BUMPERS. Well, that's what I wanted to extract from you. You know what bingo is.

Mr. BURFORD. Yes, sir, I do.

Senator BUMPERS. And I will tell you this. It is a violation of the Federal gaming laws. That being the case, why is the oil and gas lottery not a violation of the Federal gaming laws? What's the difference between bingo and the way we sell leases by lottery?

Mr. BURFORD. There is a difference, and the legal opinions prepared on the simultaneous oil and gas leasing system state that it is not a violation of Federal law. Now, as to why—I'll have to call on an attorney to answer that.

Senator BUMPERS. You just think it is not.

Mr. BURFORD. No; the legal opinions say it is not.

Senator BUMPERS. You pay your money in bingo, and you take your chances on winning a prize. You pay your money in the simultaneous leasing program, $75 to enter your name in the lottery, and if your name is pulled out, you win a prize. What's the difference?

Mr. BURFORD. The difference is that you're getting a lease, but it may cost you about $5 million to develop that lease. You take a chance that there isn't anything in it at all. I don't know what the figure was on the offshore Alaska dry hole that was drilled, but I believe it was about $2 billion?

Mr. LAWTON. There was about $140 million directly associated with that well. The total land acquisition and everything was about $1.5 billion.

Mr. BURFORD. A dry hole cost $1.5 billion.

Senator BUMPERS. What's that got to do with what we're talking about?

PURPOSE OF THE SIMO SYSTEM

Mr. BURFORD. Because the SIMO system was devised to make sure that everyone who lined up for an oil and gas lease which had been previously leased was given an equal chance to get it, because fights were developing outside of BLM's doors on the days those leases were becoming available.

Senator BUMPERS. What percentage of the people who pay a $75 filing fee to enter the lottery are in the oil and gas business?

Mr. BURFORD. I don't have those figures, and the only way I'd be able to gather them would be to write everyone who applies for a lease and ask them if they are in the oil and gas business.

Senator BUMPERS. Well, my information is that over 50 percent of the lottery winners sell their leases—sell their winnings in very short order.

We have over 300 corporations in this country advertising to put your name in the lottery. Most of them charge $200 or $300. They send in $75 to put your name in the lottery, and they pocket $125 to $225.

Do you think that's designed to help the independent oil producers have an equal chance?

Mr. BURFORD. Well, I don't think it's designed to help the income of oil producers. I do think it was designed to give an equal chance to people who wanted to get that lease.

Senator BUMPERS. Do you think the fact that not one single State out of the 50 allows any of its resources to go by lottery shows that the States might know something the U.S. Government doesn't know?

Mr. BURFORD. I believe that in the Western States, particularly, there is quite a different situation with the land pattern of the Federal Government and the land pattern of the States. Wyoming was the last State to change. They had some dramatic gains on some of the first lands they put up for lease competitively. In the last competitive sale, they went to the trouble and the accompanying expense of putting land up for lease; and a good many of the parcels that were put up for lease were not leased, were not even bid on by anyone.

Senator BUMPERS. You have defended, as has the Secretary, the simultaneous leasing program as being necessary to give everybody an equal chance. How about the 230 million people in the country who own this land? Do they have any rights in this?

Mr. BURFORD. Yes, sir, and I have an obligation——

Senator BUMPERS. Do you think their interest is being served when BLM continually lets lands out for $1 an acre that somebody sells the next day for $300 a acre?

Mr. BURFORD. I believe that not only do I have the duty to bring in money, I also have a duty to make lands available for exploration to the people who are in the exploration business. It is unanimous among the independent oil and gas drillers in the United States, and they are the ones who drill 90 percent of the exploration wells in the United States, that the simultaneous system is the only way they can be——

Senator BUMPERS. Well, how do you account for the fact that they get 82 percent of all the leases that you do put up for competitive bids?

Mr. BURFORD. They go out and buy them back.

Senator BUMPERS. No; I'm talking about the 2.7 percent of Federal lands that you have put up for competitive leasing. Independent oil producers have won at competitive auction 82 percent of all those leases. So why is it necessary to go through this other charade of a lottery to try to protect them.

Mr. BURFORD. I have not checked those figures.

Senator BUMPERS. I have checked them hundreds of times. Well, I don't want to browbeat you. You know that I am going to do my very best to discontinue this. At Fort Chaffee alone, one 33,000 acre tract that BLM let go for $1 an acre, would today bring, 4 years after the fact, $100 million, and my State would get $50 million of that. The State of Wyoming would have gotten at least $50 million from the

Amos Draw leases. Completely aside from the Federal Government's loss, Wyoming lost $50 million because of BLM's ineptitude in letting the Amos Draw leases by lottery.

The State of Arkansas has lost $50 million, as the result of your leasing 33,000 acres in the Fort Chaffee lease sale for $1 an acre. Completely aside from what the Federal Treasury gets out of this, I'm also working for the State of Arkansas up here, and I want us to start getting a share of this money. We need it. We're strapped; we're a poor State anyway.

The noncompetitive leasing program is not only scandalous, it is outrageous. And in my opinion, it is criminal. The lottery is a violation of the gaming law.

FIRST YEAR RENTAL IN ADVANCE

One other question. The Secretary has said that he is going to require the first year rental in advance. My question to you is, What purpose does that serve, and is it going to reduce the number of people who do pay filing fees? If so, by how much?

Mr. **BURFORD**. I think we have an estimate that it will reduce it by 30 percent.

That 30 percent, I want to make clear, is an estimate. We are setting up an economic analysis group in the Bureau of Land Management to look at things such as that. The reason for requiring the money up front is to make sure that more of the people who are knowledgeable are the ones who are out there competing for leases.

As a comment on your figures on the losses in Fort Chaffee and Wyoming, you obviously have better figures than I do. I don't know what that loss could have been, and I have no way of projecting it.

Senator **BUMPERS**. In 1979, the BLM let the 33,000 acres at Fort Chaffee go for $1 an acre. Because I squealed like a pig under a gate, BLM leased another 24,000 acres at Fort Chaffee the following year, by competitive bidding, and it brought $1,705 an acre. That's been 4 years ago. But land men in Arkansas tell me now that the 33,000 acres that Texas Oil & Gas got for $1 an acre—will bring somewhere between $4,000 and $5,000 an acre if the State wins the lawsuit and the leases are resold competitively.

Mr. **BURFORD**. Well, you're obviously closer to that particular instance than I am.

Senator **BUMPERS**. Have you had any experience with people winning the lottery and not being able to pay the rental on the land? The $1 an acre? I can't visualize anybody putting up 75 bucks to get his or her name in the lottery and then not being able to come with the $1 an acre when they win a tract.

Mr. **BURFORD**. To my knowledge, that has never happened.

Senator **BUMPERS**. Well, let me just make this comment on that, Mr. Burford. The only money that goes to the U.S. Treasury of any amount at all from the lottery is the filing fees. We get about $100 million a year, I think, in filing fees. And if you're going to cut back on filings by making people put up the first year's rental, we're going to lose $30 million, and, in my opinion, for no legitimate reason. The only way you can justify anything about this outrageous system is that we do collect $75 filing fees, even though the States don't share in the filing fees. In Amos Draw, those 18 tracts totaled about 20,000 acres, so the State of Wyoming got half of $1 an acre, or about $10,000. The Amos Draw lottery brought $1.2 million in filing fees, but the State of Wyoming doesn't share in that. It only shares in that $1 an acre. The Federal Treasury gets all the filing fee.

Mr. BURFORD. They will share in the production off of that land at a rate of 50 percent.

Senator BUMPERS. Well, I understand they share in the royalties.

Mr. BURFORD. Yes, that's correct.

Senator BUMPERS. We all share in the royalties.

Mr. BURFORD. Wyoming got about $160 million last year in royalties from the production of various Federal minerals.

Senator BUMPERS. Mr. Chairman, I don't want to take too much of your time and too much of Mr. Burford's time. I may have a few questions to submit in writing.

Senator MCCLURE. Thank you very much.

Mr. BURFORD. Thank you, Senator.

Senator BUMPERS. Thank you, Mr. Burford.

Senator MCCLURE. Let me turn to another area, if I may.

WILD HORSE AND BURRO MANAGEMENT

Your budget request for wild horse and burro management for 1985 is $5,081,000, an increase of $107,000 from 1984 appropriations to date. You currently have an estimated 49,000 wild horses and 11,000 wild burros on BLM lands. You also estimate the appropriate maintenance level for BLM lands is 21,000 wild horses and 4,000 wild burros. This means that the BLM has about 60,000 wild horses or burros on lands with a carrying capacity of 25,000, or that BLM has, by their own figures, 35,000 excess animals. Slightly over 2,800 are currently being held in BLM corrals and adoption centers and are being fed at a daily cost of $4,500 or $2 per head a day. In 1984, the herd is estimated to grow at an annual rate of 9,600 and removals by BLM are estimated to be 6,400.

The 1985 budget proposal is to remove 10,500 animals. At that rate, it would take, if my figures are correct, 20 years to get that herd down to the appropriate management level. That's using your figures.

What's the number of animals that would be required to be removed each year, in order to get the appropriate herd size in, say, 5 years?

Mr. BURFORD. Do we have a figure on that?

Mr. MORCK. Yes, we do. We would have to take off approximately 14,000 animals annually.

Senator MCCLURE. And what would that cost you? Just the removal costs?

Mr. MORCK. I don't have the removal costs isolated, because of the processing costs, the adoption costs, and so forth, that would be associated with removals.

Senator McCLURE. Would you give us your figure, an estimate for the record, please?

Mr. MORCK. It has been costing us about $400 a head to remove those animals.

Senator BUMPERS. $400?

Mr. MORCK. Yes, sir.

Senator McCLURE. So it would be $400 times 14,000?

Mr. MORCK. Yes, sir.

Senator McCLURE. And that's greatly in excess of the budget request, is it not?

Mr. MORCK. Yes; to remove 14,000 animals is in excess of the budget request.

Senator McCLURE. Can you tell me, Mr. Burford, why your budget request isn't adequate to do the job that you say you have to do, in order to meet the law?

Mr. BURFORD. Because we're not able to get those horses adopted at any higher rate than that, apparently.

Senator McCLURE. Well, is it better to do the damage to the public lands by leaving them there? Is that the judgment that you're making?

NEED FOR SALE AUTHORITY

Mr. BURFORD. No; that's not right. I am hoping that this committee will—or rather this Congress will—give the BLM some sale authority, so that I can address this problem without possibly having to destroy 14,000 horses a year.

Senator McCLURE. Mr. Burford, I wear two hats. This committee doesn't have legislative authority.

Mr. BURFORD. Yes; I understand that.

Senator McCLURE. This committee has only the responsibility of appropriating the money that's necessary to do what current law requires. And what you're doing is betting on the come. Now I know that Senator Bumpers is going to get mad at you for gambling. What you're doing is gambling that Congress will change the law, so you don't have to do what the law now says you have to do.

If the Congress doesn't change the law, the effect of your budget submission will be substantial degradation of the public lands; is that not correct?

Mr. BURFORD. That is correct.

Senator McCLURE. I know that you know I serve on the other committee that does have legislative authority, and I assume that you assume that I'll just go back over there and tell all those fellows that now they've got to do this.

Mr. BURFORD. Well, I'm hoping you will.

Senator McCLURE. Well, I'm going to tell them; but I've been singularly unsuccessful so far.

Mr. BURFORD. I recognize that.

Senator McCLURE. But it seems to me this cries for public understanding that the current removal rate, plugged as it is by the adoption blockade, is causing the numbers of wild horses and burros to overstock the capacity of the lands where they are maintained.

Mr. BURFORD. I think that some steps are being made in that direction. I was in front of Representative Seiberling's subcommittee in the House, and he seemed to be very interested in the legislation. He recognizes, as does Representative Udall, that this is necessary legislation; and they have both assured me that if it comes from the Senate, they will move on it. Representative Seiberling made a trip out to Nevada and got to see firsthand some of the range damage that is being done by excess horses and burros.

Senator McCLURE. What would it cost us to remove 14,000 excess horses and burros and put them in the Cuyahoga?

Mr. BURFORD. Put them where?

Senator McCLURE. In the Cuyahoga. [Laughter.]

That's in the State of Ohio.

Mr. BURFORD. Yes; I remember now where it is. I can get those figures for you later. [Laughter.]

Senator McCLURE. I think the people of Ohio would find that an immensely edifying experience. They might even find a recreational opportunity for them. [Laughter.]

ACCELERATED REMOVAL RATE

This committee may just very well appropriate enough money for you to do the removal that's necessary. And we may just then expect that you will go ahead with removal and you'll put them in those corrals, and you'll feed them at $2 a head per day, until the Congress changes its mind about the adoption program.

Mr. BURFORD. I'm not going to suggest it, but I'd have to have quite a bit of construction money to build more corrals, because the existing corrals are full now.

Senator McCLURE. There are a lot of corrals out there in the private sector. We've got a lot of feed lot operators that need a little extra income.

Mr. BURFORD. Well, I look forward with anticipation to the 1985 budget.

Senator McCLURE. If we provide you with enough money in that direction, could you do that job?

Mr. BURFORD. Yes; I think we could gather 14,000. I think we have the capability of handling the horses.

Senator McCLURE. And public land management policy requires that you do that, doesn't it? Good public land management policy.

Mr. BURFORD. Yes, sir. I have no argument with that statement whatsoever. I've been out there.

Senator McCLURE. And if we, collectively, the Congress and the administration, don't provide enough money to get those animals off the land, we are not following good land management practices, are we?

Mr. BURFORD. I don't have any argument with that statement, sir.

REFORESTATION

Senator MCCLURE. Let's turn to another land management practice, which, in some ways, is similar.

I'll ask you a couple of rhetorical questions. I think you know the answers, but I'd like you to say it, rather than for me to say it.

Does the FLPMA require the management of BLM's forestlands for sustained yield?

Mr. BURFORD. Yes, sir, it does.

Senator MCCLURE. Does this require reforesting harvested lands?

Mr. BURFORD. Yes, sir.

Senator MCCLURE. Let me give you a few numbers from Idaho: I'll focus on Idaho. They're very small numbers, because we happen to have very few commercial forest lands on BLM lands in my State, but this is representative of what is happening on BLM lands, generally.

In the 3 fiscal years, 1982–84, BLM will clearcut 340 acres of public domain lands in Idaho and schedule partial harvests on another 6,303 acres. My information is that all clearcut acres should be reforested and about 10 percent of the partial cut acres should be reforested. This means that for Idaho, 970 acres should have been reforested or scheduled to be reforested for these 3 fiscal years. Instead of 970 acres receiving that treatment, only 334 acres of reforestation have been funded, or about 34 percent has been funded and 66 percent has not been funded. The current backlog for reforestation in Idaho is over 1,700 acres.

Can you tell me why that is permitted to occur?

Mr. BURFORD. I don't have any direct answer to that. I'm not familiar with those figures, but I'll get you an answer for the record.

LETTER FROM IDAHO STATE DIRECTOR

Senator MCCLURE. Well, I have the letter dated January 23, 1984, from your State director in Idaho, Mr. Clair Whitlock. It gives those figures. That's the source of my figures.

Mr. MORCK. We don't have the particular data on Idaho right here. There is, of course, a certain amount of natural regeneration that would be expected in any reforestation. Whether that would come to 334 acres or not, I don't know.

Senator MCCLURE. That reflects the natural reforestation. That's why I indicated that clearcut requires reforestation and on partial cut, not all acres require it, but some acres do. Mr. Whitlock's conclusion in his letter is:

> That with a reduced forest budget, we have put most of our effort into offering timber for sale. Under these conditions, we find it difficult to squeeze in any reforestation, despite the fact that it is needed.

I use Idaho as an illustration of a problem, not because the acres are very significant. The acres, in terms of total for forest production in my State, are not that great. In terms of the total problem with respect to the Nation, it is not that great, but it is illustrative of the problem.

Reforestation has always, whether it be BLM or Forest Service, suffered when budgetary crunches came. Long-term natural resource management has suffered, always. And there are substantial reasons why that occurs. I'm not saying that's necessarily the wrong choice, but why should we force land managers to make those choices, when they're so clear, when the consequences are so clear? Why can't we budget enough to do what is necessary? Actually, what we've done in the entire environmental movement in the last several years is try to internalize the costs of commercial operation, force the current operation to pay the entire current cost, so that we don't load onto future generations the costs of current operations.

In forest management, if we don't have adequate reforestation, we're doing, as a public agency, exactly what we're saying private organizations should not do. We're transferring the cost of current operations to the future generations.

If Mr. Whitlock is correct, and I believe he is——

Mr. BURFORD. I have not seen that letter. To whom is it addressed, Senator?

Senator MCCLURE. A copy was sent to your office from Mr. Whitlock. I assume that it was delivered. But I am concerned about it, because I know what a budgetary crunch is. I know how difficult it is to get enough money to do all these things, and I know how Dave Stockman operates. I know how he puts the pressure on you to reduce budgets. But, as a matter of fact, if we can demonstrate poor management of the public resources, I think we have a duty to try to correct that.

I assume you will check those figures that Mr. Whitlock supplied with respect to Idaho. I wonder if you would give me a situation report with respect to the other States in which BLM forestlands are involved.

Mr. BURFORD. Yes, sir, I will.

Senator MCCLURE. Could you provide for the record, a complete summary of the acres, the site classifications and the costs for all of the States, including all forest development activities? That will include reforestation, precommercial thinning and commercial thinning, for the record, please.

Mr. BURFORD. Yes; we will get that.

[The information follows:]

REFORESTATION

The following table reflects the data available on forest development backlog for the Public Domain Forestry Program. It should be noted that to reforest an area which is not fully stocked requires a 3-year process of collecting seeds and growing seedlings to plant in nonstocked areas. Thus, a portion of the acreage shown is not true backlog even though it is in need of reforestation.

FOREST DEVELOPMENT BACKLOG

State	Reforestation acres	Thinning acres	
		Pre-commercial	Commercial
Arizona		394	
California	3,563	663	7,750
Colorado	5,063	334	23,563
Idaho	1,669	2,408	1,874
Montana	7,010		4,240
E. Oregon/Washington	2,808	15,704	5,266
Wyoming	280	3,847	216
Total	20,393	23,352	42,909

State-by-State cost data for the various sites are not readily available; however, as a rule of thumb for programing purposes, the average cost per acre for reforestation can be estimated at $200/acre, for precommercial thinning at $100/acre, and for commercial thinning at $30/acre.

WORLD CENTER BIRDS OF PREY AREA

Senator McClure. There is one other area which I would like to explore for just a moment. We are having a problem, as you would know, with respect to the World Center Birds of Prey Area in Idaho. One of the problems has to do with the ability of the city of Boise to make the transfer. I'll deal with that——

Mr. Burford. That's an R&PP transfer, isn't it?

Senator McClure. Yes; but that's a separate question. I want to look for a moment at the development plans for the World Center Birds of Prey Area. In your construction program, you have requested no funds for new construction projects in fiscal year 1985.

Have you considered the feasibility of constructing a public use facility to be associated with the Peregrine Fund, Inc.'s World Center Birds of Prey Area in Boise?

Mr. Burford. I don't believe that we have, Senator.

Senator McClure. Is there a need for that project, for the Peregrine Recovery Program?

Mr. Burford. I am not familiar with what you're referring to, but I will get you an answer on whether I think there is a need for a study center to be funded by the Federal Government.

Senator McClure. Would you also, at the same time, explore and provide for the record an estimate of whether or not the Bureau could do the planning and construction for such a facility this year, and if you have it, a preliminary estimate of design and construction costs?

Mr. Burford. Well, I will provide it for the record. I would say, though, that in general, this administration has not favored funding things which we consider to be of mainly local interest.

[The information follows:]

BIRDS OF PREY VISITOR CENTER

A meeting among BLM Idaho office officials, the Peregrine Fund, Inc., and the Boise State University was held on January 27, 1984, to discuss the possibilities of whether a facility being planned by the Peregrine Fund, Inc., at the World Center site would meet BLM's primary needs for a Birds of Prey area interpretive and visitor center.

It is not possible to complete planning and construction of a visitor facility in fiscal year 1985 due to the need to resolve several issues prior to committing funds to a project. The first issue that would need resolution is the development of a cooperative agreement among the participants spelling out in full the responsibilities of each of the parties including the details of exactly what type of facility would be needed. The second major issue would be the development of legal authority for BLM to construct the facility at the site using Federal funds. Since the property has been patented to the Peregrine Fund, Inc., it would be necessary for them to survey out and quit claim back the land on which the facility would be constructed. This process could take up to 6 months.

Once these issues have been resolved and if it is decided that BLM is the logical organization to construct the facility, BLM could then develop the architectural design and final building plans. This would undoubtedly require an additional 6 months. Should Congress decide to appropriate funds to BLM to develop this project, survey and design funds would constitute the only real funding need for fiscal year 1985. However, due to the lack of specifics and the small amount of time that has been devoted to this project to date, no solid estimate of the cost of this first year's effort is available although a preliminary amount might be $400,000. Estimated construction costs are very preliminary due to the lack of final plans.

A major concern for BLM is maintenance costs once such a facility is constructed. Building maintenance costs for similar types of facilities have run over $200,000 a year. Unless the cooperative agreement provides for the Peregrine Fund, Inc., to pay these costs, there are insufficient funds in the Bureau's building maintenance program to provide these services. This accentuates the need for reaching agreement on a number of policy and operational questions prior to any commitment to construct the facility.

PEREGRINE FALCON

Senator McCLURE. I understand. Yet we do have a concern about the peregrine falcon as an endangered species.

Mr. BURFORD. Yes, that is correct.

Senator McCLURE. And there is a very active recovery program. I think we've participated in that, have we not?

Mr. BURFORD. Yes; we have.

Senator McCLURE. I remember when Mr. Cecil Andrus was Secretary of the Department, he was hatching peregrines on the roof of the Interior building.

Mr. BURFORD. I heard something about that.

Senator McCLURE. But that was a part of the recovery program.

Mr. BURFORD. In general, the U.S. Fish and Wildlife Service has responsibility for recovery programs on T&E species.

DAM SAFETY INSPECTIONS

Senator McCLURE. One final question, and then I will submit the balance of my questions for the record.

You plan one dam safety inspection in fiscal year 1985. There are, if I recall, 15 rehabilitation projects scheduled for dams in 1985, and the need for inspections and rehabilitation is much larger than that. I hope you can provide for me and for the record, the number of dams which are subject to inspection that ought to be inspected in 1985, the number which ought to have rehabilitation programs, as the result of inspections that have already been made and the estimated cost of those rehabilitation projects. Also if you could provide for the record—perhaps you could answer now, which dam you plan to inspect during 1985 and what the cost of that inspection might be.

Mr. BURFORD. I'll defer that question to Arnold Petty.

Senator McCLURE. Maybe he's going to answer it. [Laughter.]

Mr. PETTY. Mr. Chairman, the dam safety program, of course, has been a high priority for a number of years, ever since the reclamation dam went out. At the present time, we do not have any dams classified as high hazard. We've also taken care of most of the intermediate hazard dams. The BLM dams at the present time that are listed as needing repairs or needing some work done are in those areas that, should they go out, would not represent any danger to people.

Most of the dams that we're talking about are primarily for silt retention; they were built to try to stop erosion.

As far as the one particular dam, we don't normally schedule inspection of one particular dam, unless there is one major dam that is just coming up for routine examination.

Senator McCLURE. I'm just looking at page 174 of your justification, and——

Mr. PETTY. Oh, I see.

Mr. BURFORD. "Workload measure—dam safety inspection and analysis: 1."

Mr. PETTY. That is one FTE for dam safety inspection, one individual for the dam safety program. That individual is responsible for the entire dam safety program.

Senator McCLURE. So one man will make whatever inspections there are?

Mr. PETTY. Or—we contract quite a bit. Reclamation also does inspections for us.

Senator McCLURE. How many dams that are covered by the BLM inspection responsibility failed in 1982 and 1983?

Mr. PETTY. I don't recall any BLM dams failing.

Senator McCLURE. Or structural accidents? Am I using too broad a term? According to my information, there were during those fiscal years, 10 dam failures or structural accidents at dams for which BLM is responsible.

REPORT ON DAM SAFETY PROGRAM

You have provided us with an annual report, dated November 4, 1983, with respect to the dam safety program, and page 5 of that report is where I get the figure and the listing of the dams, in which the failures or structural accidents occurred. There were three in Arizona, one in California, four in Idaho, one in Montana, and one in Oregon.

Mr. PETTY. I think you should be receiving all the reports requested.

Senator MCCLURE. Yes; if you would also give me a report for the record as to property damage or loss or threat to life as a result of those incidents.

[The information follows:]

DAMAGE DUE TO DAM FAILURES

BLM had 10 dam failures or structural accidents during 1982–83, none of which did significant property damage or threatened life.

DAM SAFETY WORK BUDGET REQUEST

Senator MCCLURE. Then could you tell us what was BLM's budget request for dam safety work in 1985? I'm not talking about how it came out of the process; I want to know how it went into the process.

Mr. PETTY. I know there was no reduction in the amount of money we requested for dam inspections.

Senator MCCLURE. For dam inspections and dam safety work?

Mr. PETTY. Well, we have received money and repaired all the high hazard dams. There was no reduction of money to repair the dams.

Senator MCCLURE. Would you provide for the record what BLM's request was for dam safety work? That would be inspection and work. What the departmental allowance was and what the OMB allowance was for that program.

[The information follows:]

FUNDING REQUEST FOR DAM SAFETY

BLM did not request funding specifically for dam safety work and, likewise, there was no specific departmental or OMB allowance. Such funding is included in the soil, water, and air subactivity and is allocated to the purpose by the individual States. While the final allocation will depend upon the needs in the individual States, the fiscal year 1985 request reflects an increase over fiscal year 1984 in the number of rehabilitation projects that will be undertaken.

ADDITIONAL COMMITTEE QUESTIONS

Senator MCCLURE. Mr. Burford, thank you very much for your appearance and testimony. You're always very helpful, and I appreciate your testimony this morning. We will be submitting some questions for your response.

Mr. BURFORD. Yes, sir. Thank you.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

Oil and Gas

Question: Part of your increase ($980,000) is specifically earmarked for maintaining and improving the existing data base on Known Geologic Structures (KGS's). In fact, the cause for the recent suspension of the simultaneous oil and gas program (SIMO) was the failure to adequately keep up KGS designations. What will the $980,000 increase permit you to do in 1985? Will this effort be continued in FY1986 and beyond?

Answer: The $980,000 increase for KGS designations will permit BLM to make 1,200 determinations during FY 1985. This funding level will be adequate to keep up with the estimated annual numbers of determinations needed to reflect the expansion and consolidation of KGS's based on new activity as well as to designate promptly new KGS's resulting from successful exploration. The workload will continue in FY 1986 and beyond at the estimated level unless there is an unexpected increase or decrease in exploration and development.

Question: Could you please explain to us the current status of investigations and administrative actions underway regarding the issuance of non-competitive leases in areas now judged to have been competitive areas? Can the government legally cancel leases already issued and hold competitive sales? What is the Department's intent?

Answer: BLM, assisted by the Solicitor's Office, is currently reviewing the circumstances surrounding the issuance of the leases in question and determining what enforcement actions are available. The Secretary has the authority to cancel leases which have been improperly issued.

Question: The Secretary's letter of January 31, 1984, announcing the resumption of the SIMO program states that "the proposed changes will not affect the conduct of the drawing for tracts offered in September, 1983, or the award of leases won through the simultaneous program prior to September." Has this decision been challenged in court? What is the status of that suit?

Answer: To our knowledge, there has been no legal challenge to the Secretary's January 31, 1984 decision. There has been a legal challenge concerning the status of applications filed through three filing services during the September 1983 filing period. The ruling of the Federal District Court (Southern Florida) will determine the consideration to be given to these applications when the drawing for the September 1983 filing period is held. To date, no ruling has been issued.

Question: One of the factors that is frequently mentioned as a problem area in the oil and gas program is the lack of funds and staff to review all pertinent BLM, state and private records prior to issuing SIMO leases. In your judgment, has that been a problem?

Answer: This has been problem in the past; however, the FY 1985 budget was prepared taking these problems into consideration and the requested funding level is adequate to make all of the KGS determinations which will be required during the year.

Question: Another problem mentioned is that the Bureau has not used all pertinent geologic information. In your judgment, is that a valid problem?

Answer: BLM assumed full responsibility for making KGS determinations in April 1983 when the onshore minerals management responsibilities of the MMS were merged with BLM. Prior to that time, the responsibility for KGS determinations was in the Conservation Division of USGS and in the MMS. After about a year of experience in the program, the BLM recognizes that more accurate KGS delineations are urgently needed and is now working toward that goal through the training of existing personnel, obtaining additional sources of oil and gas production information, and supporting a National Academy of Sciences (NAS) report on improved KGS delineations due in about 18 months.

Question: Can you provide for the record the specific funding and staffing resources committed to improving the SIMO program since the program suspension, including indications of workload measures impacted, such as the number of new KGS determinations or acres to be included or the number of additional geologic investigations to be made before issuing SIMO leases?

Answer: Since the suspension of the SIMO program, BLM has expended approximately $600,000 in staff time; the Bureau has made 400 KGS determinations adding 1.8 million acres to KGS classification.

Question: Among the items listed by the Secretary as a corrective action includes a reference to a review by the National Academy of Sciences of the basis for designating KGS's. What is the status of that review?

Answer: The National Academy of Sciences sent a contract proposal to BLM on February 22, 1984. The Bureau is currently reviewing that proposal and expects that the contract will be awarded by April 1, 1984. The NAS will review the criteria used to define KGS's and report to the Bureau on recommended improvements for KGS delineations.

Coal Leasing

Question: How much has BLM included in its '85 request for that one regional coal sale?

Answer: FY 1985 funds planned for the Powder River coal lease sale are minimal (about $50,000) because the sale is currently scheduled for January, 1985. Most expenditures in preparation for the sale were either made in FY 1983 or are planned for FY 1984 to complete the pre-sale comprehensive land use planning and coal activity planning. The activities that would remain to be accomplished after FY 1984 are preparation of the Secretarial Issue Document, consultation with affected governors, pre- and post-sale fair market evaluations, and the actual sale.

Question: I will make one more comment for the record at this point. I have noticed that some concern has been expressed that one of the problems in the coal program during the past several years has been the overall lack of funding provided to support the rate of proposed coal leasing operations. I would like to note that, according to BLM, the Administration's requests in total for fiscal years 1981 through 1984 have been $81,334,000 and the Committee has provided funding of $81,218,000. We will wait for the Secretary to respond to the Linowes Report but I did want to add to the public record at this point our statement that the Committee has funded these programs at essentially the same levels requested by the Administration. Would you care to comment on that for the record?

Answer: Your statement is essentially correct. However, the total funding provided for the Coal Program during FY 1981 through FY 1984 ($81,218,000) includes $4,470,000 which was appropriated to the MMS onshore minerals program for FY 1983 and subsequently transferred to BLM at the time of the BLM/MMS onshore minerals merger in April 1983. Therefore, direct appropriations to BLM during the period FY 1981 through FY 1984 total $76,748,000, or 94 percent of the Administration's total requests of $81,334,000 for BLM's coal program.

Geothermal

Question: Turning to the geothermal program, your justification states (p.19) that BLM will offer "all unleased Known Geothermal Resource Area (KGRA) lands at competitive geothermal lease sales" in 1985. Can you give us a brief summary at this time of the total number of KGRA's; the number currently leased; and the number to be leased in 1985?

Answer: There are currently 96 KGRA's of which 87 have been offered for lease sale. Of those offered for sale, 45 are presently under lease, 22 received no bids, and the remaining 20 were under lease but have been relinquished. BLM presently expects to hold five lease sales in FY 1985; all KGRA's currently available for leasing will be offered.

Question: When was the last additional or new KGRA designated?

Answer: The last entirely new KGRA was designated in June 1981. The last expansion of a KGRA occurred in August 1983.

Question: Are we in good shape in this program or do we need to review the KGRA designation process in an effort to ensure that competitive sales are held in appropriate areas?

Answer: BLM is satisfied that the KGRA delineation process is functioning satisfactorily. The number of KGRA tracts offered which have received no bid is evidence that the demand for this resource is currently being fulfilled.

Oil Shale/Tar Sands

Question: For oil shale and tar sands, the budget request calls for a $506,000 increase (+24%) over FY1984 appropriations to date. The increase is justified on the basis that BLM is required to complete the processing of tar sands conversion applications to combined hydrocarbon leases by February 15, 1985. BLM has 42 applications covering 213 leases to process by that date. If this increase is not provided, what will BLM do in FY1985? Will you try to press ahead with the permanent oil shale leasing program or will you focus your resources on the processing of tar sands conversion applications?

Answer: During FY 1985, BLM intends to focus its efforts on the processing of tar sands conversion applications, while maintaining an oil shale program capability. The requested $506,000 increase would be entirely dedicated to NEPA compliance and adjudication work in order to meet the requirements of the Combined Hydrocarbon Leasing Act of 1981. Without this increase, our legislatively mandated conversion schedule would be in serious jeopardy. Concerning FY 1985 oil shale program activities, the BLM intends to continue to monitor and manage the existing prototype leases, complete resource management planning pursuant to FLPMA in the Piceance Basin of Colorado, and evaluate long-term permanent program leasing needs through the initiation of activity plans in Utah and Colorado.

Question: It doesn't seem like the oil shale market is particularly good right now--why are we continuing to prepare for potential lease sales in 1986?

Answer: BLM plans to be ready to hold FY 1986 oil shale lease sales only if there is an upturn in the oil shale market. BLM intends to monitor progress made on existing Federal oil shale leases prior to any decision to hold additional competitive (permanent) lease sales. The tremendous energy potential from oil shale is concentrated in two planning areas of Utah and Colorado, thereby facilitating relatively low cost Bureau environmental impact analyses and lease sale planning efforts. Because of the significant potential for oil shale development, BLM plans to be able to lease by FY 1986 in a cost-effective manner.

Lands and Realty

Question: You have also proposed a decrease of $800,000 for FLPMA land disposals. What does this leave in the Base program? (p.78). What is the total Asset Management proposal for BLM in the '85 budget? How many acres are to be sold? How does this compare to FY 81-FY 84?

Answer: The FY 1985 base program includes approximately $2,200,000 to offer 40,000 acres for sale. The Bureau does not have information as to the number of acres offered for sale prior to FY 1983, but the number of acres actually sold in FY 1981 and FY 1982 totalled 7,120 acres and 1,312 acres, respectively. In FY 1983, BLM offered 30,278 acres for sale and sold 10,001 acres. The Bureau plans to offer approximately 62,000 acres in FY 1984.

Question: You have also proposed a decrease of $558,000 (-16%) for the Automated Land and Mineral Record System. Last year, the Committee requested a complete life cycle cost analysis plus a list of planned site and project guidelines that ensure that planned hardware acquisitions over the life of the project will be compatible. Where is that information? If it is available, what does it show in terms of total cost? How is that cost affected by this reduction?

Answer: The life cycle cost analysis for ALMRS was delivered to the Committee on February 28, 1984. Total implementation costs are currently estimated to be about $47,090,000. The reduction in FY 1985 for ALMRS represents a deferral of funding and will give BLM the opportunity to review and evaluate the results of the initial implementation efforts before further commitments are made for additional data conversion. The ongoing study by the Oak Ridge National Laboratory of ADP equipment needs will provide guidance to total BLM ADP hardware acquisition plans for the future.

Question: Mr. Burford, your Alaska lands conveyance program remains essentially the same funding level as in FY1984. Only one category of land conveyances increases--the native conveyances. State conveyances are down and native allotments are down. Can these two program levels be maintained in 1985? What would it cost?

Answer: The State of Alaska and the Alaska Native corporations are requesting that BLM emphasize conveyance of "quality" title instead of large amounts of acreage. To respond to their requests, BLM has restructured its workload to concentrate its efforts within certain geographic areas which contain lands of high priority to the State and Native corporations. All types of land claims, including Native allotments and settlement claims will be adjudicated along with State and Native selections, thus clearing all outstanding claims at one time.

The Budget Estimate reflects a realistic projection of the amount of Native allotment processing that can be completed in FY 1985. A significant effort during Fiscal Years 1983 and 1984 will have more Native allotment cases adjudicated and ready for survey than previously anticipated. Because these larger numbers of Native allotments are already adjudicated, the reduction in the number of allotments to be processed in FY 1985 will not impact the speed at which patents are issued to the State of Alaska or Native corporations. This reduction will allow for a more cost effective program balanced among all of the workload requirements to be accomplished.

Question: You are requesting an increase of $450,000 for the withdrawal review program relating to water power and water storage cases. What is the current workload in this area, including backlog and funding levels? What are the program objectives in terms of eliminating this backlog?

Answer: The Waterpower Classification Program is funded in the Withdrawal Processing and Review subactivity in FY 1984. A restructured program is planned to be initiated in FY 1985. There are currently 1,050 withdrawals to be reviewed for waterpower and water storage values. These reviews will be conducted on a case-by-case basis to determine if the water resource still exists and requires protection. There are presently no backlogs. The $450,000 is needed annually to carry out the review effort and continue the ongoing classification work.

Reforestation

Question: Could you provide for the record a complete summary of acres and site classification costs for all states, including all forest development activities (reforestation, precommercial thinning, commercial thinning)?

Answer: The following table reflects the data available on forest development backlog for the Public Domain Forestry Program. It should be noted that to reforest an area which is not fully stocked requires a 3-year process of collecting seeds and growing seedlings to plant in non-stocked areas. Thus, a portion of the acreage shown is not true backlog even though it is in need of reforestation.

Forest Development Backlog

State	Reforestation Acres	Precommercial Thinning Acres	Commercial Thinning Acres
Arizona	---	394	---
California	3,563	663	7,750
Colorado	5,063	334	23,563
Idaho	1,669	2,408	1,874
Montana	7,010	---	4,240
E. Oregon/ Washington	2,808	15,704	5,266
Wyoming	280	3,847	216
Total	20,393	23,352	42,909

State-by-State cost data for the various sites are not readily available; however, as a rule of thumb for programming purposes, the average cost per acre for reforestation can be estimated at $200/acre, for precommercial thinning at $100/acre, and for commercial thinning at $30/acre.

Question: For the record, provide a total cost and source of funds display for the high altitude photography and base mapping system.

Answer: The following table provides a breakout of high altitude photography and base mapping funding by source:

High Altitude Photography and Base Mapping
Fiscal Year 1985

Management of Lands and Resources Appropriation	$
Oil & Gas Leasing	$190,000
Coal Leasing	79,000
Geothermal Leasing	14,000
Oil Shale & Tar Sands	12,000

Mineral Materials Sales	11,000
Mining Law Administration	35,000
Mineral Leasing	18,000
Uranium Operations	3,000
Energy Realty	20,200
Nonenergy Realty	127,000
Withdrawal Processing & Review	18,000
Forest Management	27,000
Wild Horse & Burro Management	22,000
Grazing Management	126,000
Cultural Resources Management	18,000
Wilderness Management	28,000
Recreation Management	25,000
Soil, Water & Air Management	57,000
Wildlife Habitat Management	51,000
Fire Management	33,000
Planning	37,000
Cadastral Survey - Lower 48	135,000
Firefighting	18,000
Recreation Maintenance	16,000
Transportation Maintenance	11,000
Resource Protection	11,000
Total MLR	(1,142,200)
Construction and Access Appropriation	
Access	4,800
Total C&A	(4,800)
Oregon and California Grant Lands Appropriation	
Transportation Maintenance	12,000
Forest Management	171,000
Recreation Management	3,000
Soil, Water & Air Management	3,000
Wildlife Habitat Management	3,000
Fire Management	17,000
Total O&C	(209,000)
Total BLM	$1,356,000

Grazing

Question: You are proposing a decrease of $2,922,000 (-9%) for the grazing management program (p.93). The primary basis for the reduction is the new Grazing Management Policy's direction to shift maintenance costs to program beneficiaries whenever feasible. Do the operators qualify for a credit for this activity against their grazing fee?

Answer: Operators do not receive a direct credit against their grazing fees for maintaining rangeland improvements. The current grazing fee formula, however, provides an indirect credit for operator maintenance of range improvements. This formula uses a 1966 base fair market value for public land grazing use that was derived by subtracting the additional costs for operating on public lands, including maintenance of improvements, from the market value of private lands. Thus, the annual fee charged for public land grazing credits all operators with improvement maintenance through a fee that is less than that charged for comparable private grazing lands. The public grazing fee formula is currently being reviewed, and a report will be submitted to Congress in 1985 by the Secretaries of the Departments of the Interior and Agriculture.

In addition, Congress has authorized grazing fee credits for range improvement work only in Experimental Stewardship Program areas.

Question: How do you allocate these maintenance costs to the non-grazing beneficiaries of improvements such as water structures and fences, including both game and non-game wildlife resources and other public land users?

Answer: Maintenance costs are allocated to the primary beneficiary. When an improvement benefits several uses to an equal level, the BLM continues to maintain it under the principle of multiple-use management. When an improvement primarily benefits wildlife, the BLM may ask the State wildlife agency or a wildlife interest group to assume the maintenance costs.

Question: Why should we reduce the number of allotments receiving improvements by 7%; the number of new allotment management plans written by 60%; and eliminate the number of range improvements maintained by BLM?

Answer: Our current Rangeland Improvement Policy is designed to allocate available rangeland improvement funds to those allotments where they are most needed and which will achieve the greatest benefit with the least expenditure of funds. This policy recognizes that allotments differ in their resource characteristics, including their potential for improvement, their management needs, and their capacity to produce a positive return on investments within a reasonable time period.

To facilitate this approach, the BLM has developed three categories into which all allotments are grouped according to their potential. The three identified categories take into account nearly all resource situations.

Objectives for the categories are: to maintain current satisfactory conditions; to improve current unsatisfactory conditions; and to manage custodially, while protecting existing resource values.

By directing our range improvement dollars to priority allotments in the "Improve" category, we can expect a greater improvement in overall range condition even though fewer allotments will receive public investment funding.

At the present time the BLM has fully implemented 1,429 allotment management plans (AMP's) and partially implemented another 309 AMP's. In addition, we have 689 plans developed but not implemented. Of these AMP's, 138 are scheduled for implementation in 1984, leaving 441 awaiting implementation in 1985 or beyond. These AMP's cannot be implemented until a grazing environmental impact statement (EIS) is written. When our EIS effort nears completion in 1987 and 1988, we can shift emphasis back to developing and implementing activity plans that are necessary and potentially capable of being implemented.

The BLM has not proposed that all of its funding for maintaining structural improvements be eliminated. We are proposing only the elimination of BLM maintenance for improvements that primarily benefit one specific use or user. It is our view that parties deriving the primary benefit from structural improvements on the rangeland should be responsible for maintaining those improvements. The maintenance of structural improvements not designed for the primary benefit of livestock grazing may be assumed by nonlivestock cooperators such as State wildlife agencies, other beneficiaries, or by the BLM. The BLM will continue to be responsible for nonstructural range improvements such as vegetation manipulation and land treatment projects. Funding for this maintenance continues to be included in the BLM budget for Grazing Management. Funding is also provided in the BLM budget subactivities of Soil, Water and Air Management and Wildlife Habitat Management to maintain facilities and projects which benefit these multiple-use programs.

It should be noted that many livestock operators have traditionally assumed maintenance responsibility for improvements that primarily benefit livestock grazing. The present policy puts all operators on an equal basis.

Question: Section 12 of the Public Rangelands Improvement Act of 1978 authorizes the Secretaries of the Interior and Agriculture to establish an Experimental Stewardship Program that would provide incentives to livestock operators whose stewardship results in an improvement in the range condition of their allotments. To date, BLM and the FS have jointly established three experimental areas: the Challis in Idaho; the Modoc/Washoe in California and Nevada; and the East Pioneer in Montana. BLM has also established two other programs, one in Nevada and one in Utah, and has developed 15 individual operator programs. What has been the experience to date in those experimental stewardship programs? Why has participation been so low to date?

Answer: We believe the experimental stewardship program (ESP) has been very successful in improving cooperative management efforts among the parties involved, including State and Federal land management agencies, livestock operators, and other interest groups. The program has made it possible to proceed with a unified approach to implement on-the-ground management in areas where agreement was previously impossible.

Participation in the program has been low to date because Congress established the ESP, through the Public Rangelands Improvement Act (PRIA) of 1978, "on an experimental basis on selected areas of the public rangelands." The House Committee on Interior and Insular Affairs recently reaffirmed Congress' intent that the program be limited in scope to an experimental effort.

Question: Are we on schedule in completing the court ordered EIS's? Can you provide a status report and schedule for the record?

Answer: BLM is on schedule in completing the court-ordered EIS's. We had filed 84 final EIS's as of September 30, 1983. These EIS's address livestock grazing on 106 million acres of public lands in 10 Western States. An additional 22 EIS's, covering 27 million acres of public land, will be completed in Fiscal Year 1984. A status report and schedule are attached for the record (Attachment 2).

Question: How much of an increase is proposed for monitoring activities in FY'85? Will that be sufficient to support needed decisions to be made in the future concerning grazing levels?

Answer: No increased funding is proposed; however, we propose to shift $200,000 from inventory to monitoring work. This shift in funding should sufficiently increase our capabilities in monitoring to an adequate level to support future decisionmaking, including long-term adjustments in grazing use.

Direction of monitoring efforts is further aided through the BLM's allotment categorization process, which provides a means of identifying and directing management attention, including monitoring, to those allotments where the greatest need exists. Categorization enables the field manager to identify and prioritize allotments according to the significance of resource conflicts, need for improvement in resource condition, and potential of the resource to respond to management. Allotments placed in the "Improve" category receive the greatest management attention. These are the allotments where the emphasis is placed on monitoring studies. Allotments in the "Maintain" and "Custodial" categories receive less intensive monitoring. In many instances, that monitoring may be limited to periodic ocular inspections, rather than systematic data collection procedures routinely used for "Improve" category allotments.

Advances in the technical capabilities of monitoring study techniques also are contributing to our ability to carry out an efficient monitoring program. These advances have resulted in techniques that are less labor-intensive than the study method historically used by the BLM.

Wild Horses and Burros

Question: If you remove 10,500 excess animals in FY'85, how many do you estimate will have to be destroyed (2,250-p.94)? How many were destroyed in FY'82 or FY'83 or FY'84? How is the adoption market holding up?

Answer: The Fiscal Year 1985 budget, which assumes sale authority, indicates the destruction of only 460 animals, all of which would be old, sick, or lame. Without sale authority, this number would be about 2,250, including healthy animals which would go unadopted.

Our experience has been that about 2 percent of burros and 5 percent of horses removed from public lands must be destroyed as old, sick, or lame. For the years in question, these numbers have been as follows: 19[illegible], 411 animals destroyed; 1983, 293 animals destroyed; 1984, about 282 destructions projected; 1985, about 460 destructions. Since January 1982, no wild horses or burros have been destroyed for reasons other than their being old, sick, or lame.

Adoption demand remains at the 1983 level of 5-6000 per year. This is considerably below the level prior to the establishment of the fee schedule.

Question: In 1984, you proposed to remove 6,400 animals and in 1985, 10,500. Yet you are proposing no budget increase. How will you finance this increased activity? What other activity will go down? Are your unit costs really going down from $777 to $483?

Answer: The Fiscal Year 1985 Budget Justification was built on the assumption that sale authority for excess unadopted animals would be legislated. The higher rate of removals is possible because of revenues from sale of 2,290 animals.

The actual cost of removing excess animals from the public lands has risen from $135 per removal in FY 1982 (the number used in the Fiscal Year 1985 Budget Justification) to over $200 in Fiscal Year 1983, the latest year for which actual expenditure data are available.

Question: Let's turn to the positive side of the wild horse and burro program for a minute. If we get down to the desired level of 25,000, what does that do to our ability to increase other uses of the public lands? For example, what does that extra forage do for wildlife or for grazing levels?

Answer: In many of the areas where horse or burro reductions are anticipated, the removals are for the purpose of reducing grazing use to the grazing capacity of the area. In these instances, no increases of other consumptive uses would follow. In cases where excess forage is available for any reason, its allocation would be based on local resource management planning efforts.

Question: Is your 1984 funding level going to be adequate to meet your 1984 annual work plan objective? What will be the source of funds needed to pay the over $200,000 needed to feed the head currently corralled in Nevada?

Answer: We anticipate a shortfall in meeting the Fiscal Year 1984 annual work plan commitments for removals because of slowed adoption demand.

The immediate source of the $205,000 needed in Nevada for animals already on hand has not been identified except to consider delays in certain other contract requirements in the Wild Horse and Burro program. If a reprogramming of existing funds is not possible, it will be necessary to amend the annual work plan, most likely to reduce the number of horses removed from the range.

Wildlife Habitat Management

Question: You are proposing a reduction of $1,810,000 (-13%) for the habitat management program in FY1985, primarily on the basis that the Bureau does not need to prepare any habitat management plans in FY 1985; that the recovery programs for endangered species can be reduced $700,000 from $2,625,000 to $1,925,000 (-27%); that the habitat inventorying program can be reduced by $260,000; that the maintenance of improvements can be deferred (-$200,000); and that habitat monitoring can be reduced (-$100,000).

You know, BLM's role in wildlife programs is different than that of the state wildlife agency or of the Fish and Wildlife Service. BLM does not manage either resident species, as the state does, or migratory species, as does the Fish and Wildlife Service. BLM manages almost 300 million acres of wildlife habitat on public lands. Their management decisions directly influence the number and kinds of wildlife species on the public lands, including endangered species. How would you summarize the losses of wildlife habitat at the reduced funding level?

Answer: We do not anticipate any habitat losses. Some of the reduction in the preparation and implementation of habitat management plans is for areas of noncritical habitat. We have determined that deferring planning or work on these areas to some later date will not contribute to habitat losses. Further, we anticipate that State and private wildlife interests will be taking a more active role in providing funds for managing public land habitat.

Question: Will the amount of wildlife support to the other resource programs (such as timber, minerals, or grazing) be reduced? By how much? With what likely impact?

Answer: We do not expect this support to be reduced. In most cases, it is BLM policy and normal procedure that when a resource use or development action (such as a timber sale) is proposed that requires the assistance of a wildlife biologist, the program activity initiating the action (forest management in this case) is required to provide the funds to pay for the assistance effort. Thus, it is not wildlife habitat management funds that are used to fund wildlife specialist support to these activities.

Question: The amount of site-specific habitat maintenance and improvement activities will be cut tremendously (p.113). What will happen as a result?

Answer: We do not anticipate any negative effects on the quality of wildlife habitat. As pointed out earlier, we have directed the reduction toward management of noncritical habitat and with an offsetting increase in cooperative efforts from State and private wildlife interests, no significant impacts are anticipated. We have also determined that we can stretch out our scheduled habitat maintenance work, such as repairs on fences, water facilities, vegetation manipulation projects, and stream improvement structures, without any immediate adverse effects. In many instances these projects benefit a particular user group such as elk hunters or fishermen. We anticipate a higher level of cooperation from these beneficiaries in maintaining these improvements in the future.

Question: Last year, the Committee received testimony that BLM had about 80 threatened or endangered species waiting for recovery plan implementation. Is that number still accurate?

Answer: There are some 80 Threatened/Endangered species found on lands administered by the BLM. Forty-three recovery plans have been approved. Additionally, there are 13 recovery plans nearing completion (they are at the "agency review draft" stage) and 17 recovery plans in the "technical review draft stage." During FY 1984 the BLM is participating in the implementation of 25 recovery plans.

Question: Does BLM intend to increase the number of recovery plans underway in 1985?

Answer: No, our participation in recovery plan implementation will remain the same in FY 1985.

Question: How can you reduce threatened and endangered species funding by 27% and still maintain the same number of recovery plans in 1985?

Answer: Implementing these recovery plans is a long-term effort involving several different State and Federal agencies. Each of the agencies will have varying levels of involvement and responsibility at the different stages necessary to bring about recovery. In addition, parts of the recovery plans are less than essential. The result is that we are working toward implementing the same number of plans but at a lower level of involvement through the elimination or deferral of the non-essential portions of BLM's responsibility under the plans.

Some examples of this are: (1) reduced levels of monitoring habitat and effects of management, such as for wintering habitat and nest success for bald eagles and peregrine falcons; (2) reduced education/public relations programs; and (3) extended schedule of maintenance on existing habitat improvements. These kinds of reductions are not expected to affect the survival of the species involved.

Question: What would be your 10 highest priority threatened and endangered species and what types of recovery actions are required to be initiated for them and at what cost?

Answer: It is difficult to assign priorities to a single recovery plan in total or to a particular species. Actually, individual recovery actions within recovery plans are assigned priorities for funding and management. These priorities are based on the immediacy of the threat, the need for protection, and the recoverability of the species involved. Using these criteria, we end up being involved in portions of numerous plans at various stages in the implementation process.

The following is a brief analysis of the recovery plans the BLM is in the process of implementing.

Species/ Recovery Plan	Recovery Actions	Estimated FY 1985 Cost	State(s) Involved
Black-footed ferret	Habitat inventory, distribution research on life history, monitoring, developing protective stipulations.	$180,000	Montana, Wyoming, Utah, New Mexico, Colorado North Dakota
San Joaquin kit fox	Habitat inventory, rehabilitation of habitat, developing protective stipulations.	5,000	California
Utah prairie dog	Habitat inventory, translocation, monitoring new populations.	20,000	Utah
Sonoran pronghorn	Distribution and food habits studies, improving water.	18,000	Arizona
Bald eagle (3 plans)	Improving nesting and wintering habitat, monitoring habitat use, managing prey base.	260,000	All States
Peregrine falcon (3 plans)	Captive propagation, releasing captive reared birds, improving nesting habitat, acquisition of habitat.	320,000	All States
California condor	Monitoring existing populations and habitat, acquisition of habitat.	15,000	California
Mohave chub	Life history studies, evaluating historical habitat for reintroduction, improving existing habitat.	15,000	California
Owens River pupfish	Maintaining habitat, including migration barriers, fences, and visitor facilities.	2,000	California
Lahontan cutthroat trout	Stream improvement, including migration barriers, streamside cover, and improved pool/riffle ratios.	60,000	Nevada, Utah

Species/ Recovery Plan	Recovery Actions	Estimated FY 1985 Cost	State(s) Involved
Gila topminnow	Relocation to new habitat areas, surveys for new habitats, fencing to protect habitat.	15,000	Arizona, New Mexico
Colorado River squawfish	Relocation projects, surveys to determine distribution.	10,000	Colorado, Utah, Arizona
Woundfin	Relocation projects, surveys to determine distribution.	40,000	Colorado, Utah, Arizona
Desert slender salamander	Surveys for additional populations, control access and use of existing habitat.	25,000	California
Coachella Valley fringe-toed lizard	Habitat acquisition, developing specific management plans.	50,000	California
Eureka Dunes Dune Grass and Evening Primrose	Developing alternate use areas for dune buggies, monitoring use populations.	50,000	California
McDonald's Rockcress; Knowlton cactus; Mesa Verde cactus; Gypsum wild buckwheat; McFarlane's four-o'clock	Survey for distribution control uses of habitat, life history studies, continuing studies on threats.	120,000	Arizona, Colorado, California, Idaho, New Mexico

In addition to work on the species that have approved recovery plans, we are working on developing plans for 30 additional species. In many instances, recovery efforts are initiated before the recovery plans are completed. These are usually projects of very high priority to ensure the species do not become extinct or to ensure that recovery opportunities are not lost.

Recreation

Question: The recreation program is proposed for an overall cut of $2,283,000 from FY1984 appropriations to date (-12%). Does this cut involve closing any campgrounds or facilities? Which ones?

Answer: The Bureau of Land Management is focusing recreation management funding on nationally significant areas such as wild and scenic rivers, national trails, national conservation areas and other intensively used areas. It is not possible to provide a list of these areas since those decisions have yet to be made or determined to be necessary to be made. We do not anticipate any closings; but, in the event that may become necessary, every effort would be made to transfer management or operations to the State or local government before closure took effect.

Question: You are also proposing a reduction of $550,000 (-12%) in the cultural resources protection program. Can you provide a complete list of cultural sites to be protected in FY1984 and FY1985 and indicate which sites will not be protected as a result of the reduction.

Answer: Over 100,000 sites have been recorded on BLM lands. It would be impossible to list all of the sites that BLM protects. However, a substantial portion of BLM's protection funding goes toward efforts designed to maintain larger, long-term commitments on a year-to-year basis for sites that have been determined to be uniquely important from scientific and interpretive perspectives, where BLM has made a substantial funding commitment. Protection for these cultural resources includes patrol and surveillance, construction of fences, sign installation, stabilization projects, interpretation, and public awareness measures.

The following "major" sites are among those that will receive protection efforts by BLM during FY 1984 and FY 1985:

Alaska
Buckland River Site
Fort Egbert
Gallagher Flint Station
Nunagiak Site
Arizona
Harquahala
Homolovi Ruin
Long H Ruin
Blythe Intaglios
Safford District Rock Art
South Mesa Intaglios
California
Bishop Petroglyphs
Lake Cahuilla
Lost Coast Site
Colorado
Anasazi Heritage Project
Lowry Ruin
Escalante Ruin
Irish Canyon Sites
Sand Canyon Sites
Idaho
Mt. Bennett Hills Site
Birds of Prey Site
Littel Birch Creek
Lower Salmon River Sites
Montana
Beartrap Canyon
Mill Iron Site
Upper Missouri Sites
Nevada
Antelope Trap
Hidden Cave
Lower Osceola Site
Old Cortez
New Mexico
Big Bead Mesa
Chacoan Outlier Sites
Ft. Craig
Ft. Cummings
Jones Canyon
Ojo Caliente
Pierre Ruin
Oregon
Christmas Valley
Long Lake Petroglyphs
Utah
Butler Wash Site
Grand Gulch Area
John Jarvie Site
Wolverton Mill
Wyoming
Deer Creek

Question: Could you also list in priority order other known cultural sites not currently being protected?

Answer: Not all sites warrant major protective efforts; however, many are in need of short-term or one-time measures to reduce or eliminate the possibility of destruction. Those sites of lower priority where work will be postponed are: the Grand Junction Petroglyphs (CO), Squaw Leap (CA), Pahute Canyon Rockshelter (NV), Canyon Pintado (CO), Burro Creek Ruin (AZ), Navajo Refugee Site stabilization (NM), Twin Angels stabilization (NM), and Seiber Canyon (CO).

Fire Management

Question: Does BLM have the capability of moving ahead with Phase II of the initial fire attack management system in FY1985? What will we learn if we wait a year? Phase II will involve the acquisition of the bulk of the remote automatic weather stations. Shouldn't we go ahead with Phase II and, if need be, pause for a year between years 2 and 3?

Answer: The Bureau is now implementing Phase I of the Initial Attack Management System (IAMS). We believe this should be completed before Phase II development work begins.

We have not received all ADP equipment associated with Phase I, including some graphics terminals, because the contract for it was not awarded until late in FY 1983. This equipment is expected to be in place prior to the FY 1984 fire season. In addition, certain ADP software and telecommunications procedures are in the developmental process. However, Phase I is now operational in terms of the Automatic Lightning Detection System (ALDS).

The automated IAMS data base includes weather conditions, fuels analysis, land slope, and other information that can be used to help determine fire probability by geographic area. This data base now contains information on a small percentage of Bureau land. We can continue to accumulate fuels mapping information on more Bureau lands in FY 1985, and this can enhance Phase II when it is eventually implemented. Also, BLM plans to set up a systems maintenance program, both preventive and remedial, for IAMS in FY 1985. This program should be established before Phase II is operational.

Our goal is to move forward with IAMS development in a deliberate fashion so that a successful system can eventually be achieved. Therefore, we should not begin Phase II, which includes the bulk of the Remote Automatic Weather Stations, until Phase I is in place.

Planning

Question: You are proposing to shift $650,000 in FY'85 from being funded directly to being paid for by the other benefitting BLM programs. Why do we want to do this?

Answer: Plan amendments are done when a single resource issue exists and it would be neither economical nor necessary to do a full RMP. Since amendments benefit one activity, it is Bureau policy that the "benefiting" activity bear the cost. Some amendments were partly funded by the planning subactivity in FY 1984 in order to ensure that the amendments would be finished in a timely fashion. The anticipated planning workload in FY 1985 can be adequately funded at the requested level of $8,471,000. Since there is no need for the planning subactivity to supplement the cost of preparing amendments these funds were allocated to other activities in FY1985.

Construction

Question: For the National Park Service, we have a nationwide priority listing of future planned construction projects that goes out 5 or more years into the future. We have been told that BLM does not have such a list. Would you prepare a list of the number one priority construction project in each BLM State Office for such items as administrative sites and recreation facilities?

Answer: We maintain no Bureauwide list of projects at Headquarters. The following is a list of priority projects identified by the various BLM State Offices:

State	Project	Type
Alaska	AFS Warehouse Complex	Building
	Fairbanks District Office, 2nd Floor	Building
	Restrooms for Handicapped	Recreation
Arizona	Quail Hill Road	Transportation
California	Chimney Peak Fire Station	Building
	Pacific Crest Trail	Recreation
	Radio Shop and Fire Day Use Area	Building
Colorado	Craig District Office Phase IV	Building
	San Juan RAH (Delores)	Building
	Replace 3 Radio Buildings	Building
Montana	Miles City Office Addition	Building
	Holter Lake Building	Building
	Butte District Road Surfacing	Transportation
Nevada	Caliente Resource Area Office	Building
	Wilson Reservoir Campground	Recreation
	Red Rock Road	Transportation
New Mexico	Aguirre Spring Water System	Recreation
	Piedre Lumbre Road	Transportation
	Simon Canyon Recreation Site	Recreation
Oregon	Burns District Office Complex	Building
	Trout Creek Recreation Site	Recreation
	South Fork John Day River Road	Transportation
Oregon (O&C)	Eugene District Office Complex	Building
	Rand Recreation Site	Recreation
	Road and drainage structure projects for roads under timber sale contracts	Transportation

Utah	Price Area Offices	Building
	Escalante Area Office	Building
	Little Sahara Campground Road	Recreation
Wyoming	Rawlins Office Addition	Building
	Rock Springs Office Addition	Building
	Kemmerer Office Building	Building

Question: You have requested $2.5 million in maintenance funds for BLM's transportation system (p.172). Can you provide the Committee with a distribution of those projects? Are all known BLM needs budgeted, especially for roads and bridges?

Answer: Funding for this program is allocated to the States, each of which develops and manages its own series of projects, thus retaining maximum flexibility to respond to the most urgent needs and changing conditions at the local level. We maintain no Bureauwide list of projects at Headquarters, although we can provide an overall funding spread by State.

We do have some anticipated maintenance needs which are not funded, but most can be extended over several years. We also expect that there will be erosion repair work needed after this spring's runoff, which, depending on the severity, may not be adequately funded.

Dam Safety

Question: I understand that the Bureau has about 700 major dams (flood control structures exceeding 25 feet in height and storing more than 50 acre/ feet of water). At the current rate of funding and manpower allocations, how long will it be before BLM meets statutory and departmental guidelines for inspection, evaluation, and hazard mitigation?

Answer: We are inspecting (or reinspecting according to the criteria) about 150 dams per year. All of our known high or significant hazard dams (12) are on an annual inspection cycle, and smaller, less significant ones are on a three-year cycle.

Most of BLM's dams are actually detention structures to prevent additional siltation downstream and to control erosion by reducing head-cutting and other soil loss through runoff. Very few dams are in areas where failure would cause damage to property or present any serious risk of loss of life.

Question: How much of the engineering services base program of $860,000 is to be spent on dam safety activities?

Answer: There is funding for one FTE in the engineering services base program. Funding for dam safety activities is primarily derived from the Soil, Water and Air program. In FY1985 approximately $150,000 of the Soil, Water and Air base program is allocated to dam safety activities.

Question: Could you prepare a list of BLM's highest priority dam-related work for FY 1985 and submit it for the record, including estimates of cost?

Answer: A consolidated list of high-priority dam related work does not exist as each BLM State Office develops and manages its own program.

Question: Does BLM intend to contract out any dam related work? If so, please provide an explanation of how the Department intends to handle its legal liability if a contractor inspected dam subsequently fails due to a faulty inspection.

Answer: BLM will not contract out any dam-related work on a national basis. However, some States (including Idaho and Oregon) plan to use Architectural and Engineering (A&E) firms to perform condition surveys on some of their dams. Since these are condition surveys to identify problems or potential problems which would require a more formal, in-depth inspection, a contractor assumes no liability for this work.

Question: Who has legal liability for privately-owned dams, including mine tailing dams, on BLM land? Do you have a Solicitor's opinion on that question?

Answer: At this time, BLM does not inspect privately-owned dams on BLM lands. Mine tailings dam inspections are the responsibility of the Mine Safety and Health Administration. There is a consolidated request from several Bureaus for a Solicitor's Opinion related to non-Federal dams on, within, or upstream of federally-administered lands. The response is still pending in the Solicitor's Office.

Question: Has BLM completed its field inventory for dams, that is, do you have an up to date list by state of BLM's major dams? Which states are not current? How much would it cost and can these state lists be updated this year?

Answer: BLM does have a regularly-updated, computerized inventory of its major dams by State. However, there are many uninventoried dams scattered throughout BLM lands, the vast majority of which would barely meet the minimum size criteria of the Federal Guidelines. Each State is working to add such dams to its inventory as time and circumstances permit.

Question: Does BLM have a formal risk analysis procedure yet?—Why not? What would the preparation of this involve?

Answer: BLM does not as yet have a formal risk analysis procedure. We expect to use a modification of procedures currently being developed by the Federal Emergency Management Agency.

Question: What was BLM's budget request for dam safety work in FY 1985? What was the Departmental allowance? The OMB allowance?

Answer: BLM did not specifically request funding for dam safety work. Such funding is included in the Soil, Water, and Air subactivity funding and is allocated to that purpose by the individual States based on the local situation. There was no specific request for dam safety funds and thus no specific departmental or OMB allowance.

Oregon and California Grant Lands

Question: For the last 4 years, the Committee has tried to improve the budget presentation for management of the O&C lands. In 1982, the Committee made a direct, definite appropriation to BLM for the first time, eliminating the uncertainty that had existed previously when programs had been financed by timber receipts. In 1983 and 1984, the Committee tried to consolidate funding for the BLM's and the FS's O&C lands into one account. For 1985, the Conference report directed the BLM to request all funds needed for O&C lands management, including any funds to be expended by the FS. However, the budget request is the same disjointed budget presentation again this year. BLM is requesting no change from the FY 1985 base budget for O&C management and the FS is proposing an increase of $209,000 (+2%) for O&C management. Why can't we get these budget requests together? One example of the problem that we encounter is analyzing the new 10 year O&C management plans. With two accounts, one in BLM and one in the FS, we cannot achieve consistency in planning or in funding without a great deal of effort both on our part and on the part of the two agencies. Doesn't it make sense for BLM to act as the bookkeeper for the O&C funding program?

Answer: It is our opinion that the FY 1985 budget presentation for the Oregon and California Grant Lands program is not disjointed, and that there is no advantage to combining the BLM and Forest Service request and having BLM act as a central bookkeeper. In fact, there are distinct advantages to BLM, the Forest Service, the Secretaries of Interior and Agriculture and the Appropriations Committees in having separate requests.

The most significant advantage is that this process should correct the apparent misconception that the O&C lands are managed as a single O&C lands system. As an example, your question implies that the new 10-year O&C timber management plans cover all O&C lands. They do not. They cover only those O&C lands under BLM jurisdiction and which are managed under the O&C Act of 1937. The Forest Service O&C lands are covered under Forest Service timber management plans and are managed under Forest Service legal authorities except for receipt distribution. As a result there may well not be, nor need there be, consistency in planning or funding needs between the two agencies. Thus, the FY 1985 process allows each agency to justify its own funding needs in the context of its own requirements, authorities and overall agency priorities while at the same time making it possible for the Appropriations Committee to make a comprehensive review of each agency's proposals.

The need for BLM to act as a bookkeeper is unclear, especially in light of the fact that the making of direct, fixed amount appropriations since 1982 has severed the previous direct link between receipts and appropriations. A full discussion of the history of the O&C account and the rationale for the FY 1985 budget structure proposal is found in the BLM FY 1985 Budget Justifications on pages BLM-250 - 251.

Question: What consideration did the Bureau give to the new O&C management plans while developing its FY1985 budget request? Would you please summarize the new plans for us at this time? As I understand them, the seven new plans provide for a total annual harvest level of 1,185 million board feet (mbf), an increase of 13 million board feet over the 1972 planned harvest level of 1,172 mbf and an increase of 124 mbf over the 1983 sales level of 1,061 mbf.

Answer: The BLM developed the FY 1985 budget based on the Records of Decision for the new plans. The recently completed decadal timber management plans allow an annual harvest level of 1.185 billion board feet. The BLM budget request proposes offering 1.051 billion board feet for FY 1985. The reasons that we are not proposing a higher annual harvest level include:

(1) The allowable cut level is a decadal average, thus, we are not obligated, nor do we necessarily intend, to offer this average sale level in any given year;

(2) The recent 5-year timber contract extensions will bring more timber to market in the first 5 years of the decadal plans without offering increased volumes during this time;

(3) The recent court orders restraining the use of herbicides restrict one of our best intensive management tools which, in turn, could possibly in the future reduce the allowable cut.

The seven new timber management plans are the culmination of five years of planning efforts that sought the best balance of social, economic, and biological considerations for the BLM-managed forest lands in the 18 O&C counties in western Oregon. Almost 2.1 million acres of commercial forest lands, or 88 percent of the lands administered by BLM in the area, are covered by these plans.

The new plans allow an annual harvest level of 1,185 million board feet, which is predicated on more intensive management than was practical in the past. Intensified management would permit an increase in production on a diminished land base.

Question: What has been the past decade's average of timber sales offered; timber offerings sold; timber harvested; timber sales offerings on the shelf; timber offerings sold but not harvested?

Answer: The following table summarizes timber sale data for western Oregon over the past decade:

(Volumes in millions of board feet: mmbf)

FY	Volume Offered	Volume Sold	Volume Harvested	Volume Uncut
74	1,206	1,206	1,344	1,433
75	1,158	1,158	868	1,763
76	1,093	1,093	1,051	1,973
T.Q.	228	228	323	2,119
77	1,159	1,159	1,197	2,075
78	1,139	1,139	1,027	2,166
79	1,097	1,097	1,042	2,271
80	1,120	1,120	927	2,414
81	1,059	1,059	875	2,499
82	1,112	1,112	341	3,310
83	1,049	1,049	814	3,614

* BLM timber sales are not held on the shelf. Generally they are offered for sale as soon as the preparation work is completed.

Question: What I am trying to do is to get an idea of the need for an increased timber sales program on BLM's O&C acres. How would you summarize this for me?

Answer: The allowable cut level in the revised plans is a ceiling on the amount that could be harvested over a 10-year period under intensive management. It reflects how much may be offered not how much should be offered annually. With the recent herbicide decision, this ceiling may have to be lowered. However, the publication entitled "The Forestry Program of Oregon" by the State Board of Forestry identifies the importance to the State's economy of maintaining or increasing the flow of timber from BLM lands in western Oregon over the next three to four decades. The flow of timber from private lands is expected to diminish until new timber stands grow and mature on the previously harvested private land. Thus, in the process of making the final decisions on the new plans, increased levels of harvest were allotted, where feasible, to be responsive to this need.

Question: Your summary indicates that to increase from the current allowable cut level of 1,061 mbf to 1,185 mbf will cost $5,330,000 per year over the base program of $49,820,000. Is an increase in a potential sales level of 124 mbf worth an additional $5.3 million investment? Our current allowable cut level is 1,172 mbf but our current sales program is only 1,061 mbf. What would it cost to increase the current sales level to 1,172 mbf?

Answer: An additional sales level of 124 mmbf will result in a return of approximately $14.9 million, if sold at $120 per thousand board feet, which would yield a net increase of $9.6 million in revenues over the 1,061 mmbf level. To increase the sales level from the current 1,061 mmbf to 1,172 mmbf would require an additional investment of $4.5 million over the base program with a resultant increased yield of $13.3 million when the timber is cut. However, since there is now approximately a 3-year supply of sold but uncut timber, it might be several years before this additional timber would be cut.

Question: The major element of the $5.3 million cost is for forest fertilization activities. How much fertilization is currently being done in BLM's O&C lands?

Answer: No fertilization on the O&C lands is planned for FY 1984.

Question: Is there any cost/benefit data from industry on the practice of fertilization?

Answer: Yes, BLM has reviewed data from several industry sources. Weyerhauser Industries has granted BLM permission to use and distribute their information. In summary, their economic analysis shows a 15 to 30 percent internal rate of return is possible depending on timing of fertilization to harvest and productivity of the site.

Question: Does the $5.3 million additional estimate include funds for augmentation or development of the various nontimber resources? If so, which ones?

Answer: The additional investment of $5.3 million covers only the intensive timber development practices.

Question: One of the planning assumptions is that herbicides will be available for use during the entire decade. Are there any herbicides currently banned in O&C counties? Are there any currently under legal or administrative challenge?

Answer: On March 1, 1984, Judge James M. Burns in the U.S. District Court in Oregon ruled in favor of the plaintiffs in the umbrella suit "Northwest Coalition Against Pesticides (NCAP) v. Block, Watt, et al. This ruling enjoined the BLM from using herbicides on the O&C lands in western Oregon and the Forest Service from using herbicides on its lands in Region 6. This ruling will remain in full force and effect until the court determines that the BLM and Forest Service have complied with their responsibilities under NEPA. Specifically, BLM must research the effects of the herbicides on human health and determine that the cost of this research is exorbitant or that the means for obtaining the information is beyond the state of the art. Once this is accomplished, a worst case analysis and environmental impact statement must be prepared according to the terms of the court decision. The Government is still considering whether the ruling should be appealed.

Question: According to your investment analysis, the first $270,000 additional we invest returns a 10 mbf increase in sales level, for an average cost of $27,000 per additional mbf. The next incremental increase is an investment of $2,023,000 for a return of an additional 72 mbf, for an average cost of $28,375 per additional mbf. The next incremental increase is for $387,000 and yields another 8 mbf, for an average of $43,375 per mbf. The final increment, fertilization, costs $2,920,000 and yields an additional 44 mbf, for an average cost of $66,363 per mbf. The current average cost per mbf (1,061 mbf for $49,280,000) is about $46,445 per mbf. Why should we consider additional investments that cost more than the current average cost per mbf? Why don't we substitute the more economically efficient 90 mbf available for

$2,680,000 (average cost of $29,777 per mbf) for some of the higher priced timber currently in the base program?

Answer: The calculated cost of the current program, $46,956 per mmbf ($49,820,000 divided by 1,061), does not reflect a true cost of sale since it includes technical support activities only found in the base program, i.e.:

The Base Program Harvest Level = 1,051 mmbf
Current Program Intensive Practices = 10 mmbf
Total Current Program = 1,061 mmbf

Current Program Investment Costs

A.1. Timber Management	$15,074,000
2. Reforestation (site preparation, tree planting, site protection & maintenance, genetic program, slash disposal)	25,640,000
3. Intensive management practices	270,000
B. - Construction, Land and Easement Acquisition	511,000
Maintenance	3,743,000
Renewable Resources Management	4,271,000
Multiple Use Planning and Data Mgmt.	311,000
Total Cost - Current Program	$49,820,000

Thus, within the current program, the real cost of preparing volume for sale is $15,074,000 divided by 1,061 = $14,207 per mmbf. Reforestation is $25,640,000 divided by 1,061 mmbf = $24,166/mmbf.

The support costs shown above (A.2. through B) are not reflected in the investments required for the intensive practices discussed in the analysis because they are fully covered in the current program. Therefore, even the most cost-efficient intensive practice is more costly than the base programs, and substitution would make no sense.

Land Acquisition

Question: BLM and the Department both requested $578,000 for land acquisition projects but the OMB allowance was zero. What projects were included in BLM's request?

Answer: The requests by BLM and the Department covered acquisitions for the King Range National Conservation Area on the northern California coast. Included were four parcels (300 acres) of ocean view property to be acquired by direct purchase and an additional 3,800 acres to be acquired by exchange. However, during the final stages of developing the President's FY 1985 Budget, it was decided that the acquisition of these parcels could be postponed to FY 1986 or beyond, due to its relatively low priority.

S. 1611

Non-Federal Interests - Arizona Strip Wilderness Act
(Proposed Wilderness Areas Only)

Proposed Wilderness Area	Split-Estate (S/E) Lands (State Subsurface) (Acres)	Other State Lands (Acres)	Status
ARIZONA			
Beaver Dam Mountains	695 1/	1,280	S/E lease expires 1987-88
Grand Wash Cliffs	80 1/	-0-	S/E lease expires 1987
Paiute	1,920 1/	640	S/E lease expires 1987-88
Paria-Vermillion Cliffs	1,140 2/	-0-	No leases or permits
UTAH			
Paria Canyon	-0-	640	
Starvation Point	-0-	1,200	
Total	3,835	3,760	

1/ These split-estate (S/E) lands were eliminated from further wilderness study by the Secretary's order of December 30, 1982.

2/ These lands are not covered in the Secretary's December 30, 1982, order as they are not part of an Instant Study Area and were not subject to the order. Some 210 acres of State S/E lands were added as a result of the proposed wilderness area boundary designation which differs from the natural area (ISA) boundary.

ATTACHMENT 1

ATTACHMENT 2

GRAZING EIS SCHEDULE FY'83 to '88

FEIS DATE FY 1978

STATE	EIS NAME	PUBLIC LAND AC. (000's)	DATE FILED
AZ	San Simon	1,347	9-29-78
AZ	Cerbat-Black Mountain	1,200	9-21-78
CA	Tuledad-Home Camp	641	10-4-78
CO	San Luis	516	5-12-78
CO	Uncompahgre	526	7-14-78
NM	Rio Puerco	393	5-12-78
UT	Hot Desert	530	9-27-78
WY	Sandy	1,714	9-28-78
	TOTAL	6,867	
ID	Challis	330	12-1-79

Total to Date: 9 EIS's -- 7,197,000 acres

EIS DATE FY 1979

STATE	EIS NAME	PUBLIC LAND AC. (000's)	DATE FILED
AZ	Vermillion	1,340	9-26-79
CO	Grand Junction	1,277	9-30-79
ID	Shoshone	590	11-20-79
ID	Little Lost-Birch Creek	347	9-18-79
MT	Missouri River Breaks	2,189	9-5-79
NV	Caliente	3,414	9-21-79
NM	East Socorro	869	9-7-79
NM	East Roswell	1,592	9-27-79
OR	Drewsey	643	9-19-79
UT	Randolph	171	9-27-79
UT	Parker Mountain	223	9-28-79
UT	3 Corners	199	9-19-79
WY	Seven Lakes	655	3-8-79
	TOTAL	13,499	

Total to Date: 22 EIS's -- 20,696,000 acres

FEIS DATE FY 1980

Deviation Approved:
WY Green Mountain

STATE	EIS NAME	PUBLIC LAND AC. (000's)	DATE FILED
AZ	Shivwits	1,397	7-15-80
CA	Cowhead-Massacre	769	9-29-80
CA	California Desert	11,000	9-26-80
CO	Gunnison	636	9-29-80
CO	White River	1,506	9-12-80
CO	Royal Gorge	595	8-21-80
ID	Owyhee	1,183	9-18-80
ID	Bannock-Oneida	450	7-2-80
MT	Mountain Foothills	1,054	9-3-80
NV	Tonopah	3,750	9-22-80
NM	San Juan	973	9-30-80
NM	McGregor Range	515	9-12-80
OR	Ironsides	980	9-29-80
UT	Kanab-Escalante	2,498	9-25-80
UT	Mountain Valley	480	9-19-80
	TOTAL	27,786	

Total to Date: 37 EIS's -- 48,482,000 acres

FEIS DATE FY 1981

Deviations Approved:
UT Ashley Creek
UT Price River
WY Salt Wells - Pilot Butte
WY Grass Creek

STATE	EIS NAME	PUBLIC LAND AC. (000's)	DATE FILED
AZ	Haulapai-Aquarius	943	8-27-81
CA	Mount Dome	42	1-6-81
CA	Benton-Owens Valley	530	9-14-81
CA	Cal-Neva	639	8-26-81
CA	Eastern San Diego Co. (McCain Valley)	94	1-6-81
ID	North Idaho	272	8-19-81
ID	Sun Valley	243	6-26-81
ID	Big Desert	1,057	8-26-81
MT	Prairie Potholes	1,735	9-24-81
NV	Paradise-Denio	3,642	9-14-81
NV	Sonoma-Gerlach	4,563	9-14-81
NM	Southern Rio Grande	2,156	9-18-81
OR	Lakeview	3,387	9-24-81
	TOTAL	19,303	

Total to Date: 50 EIS's -- 67,785,000 acres

FEIS DATE FY 1982

Deviations Approved:
CO Glenwood Springs
UT Henry Mountain

STATE	EIS NAME	PUBLIC LAND AC. (000's)	DATE FILED
AZ	Lower Gila-North	1,543	9-16-82
CA	Sierra	240	9-10-82
CA	Willow Creek	299	8-12-82
CA	Bodie-Colville	250	9-17-82
ID	Ellis	374	6-10-82
ID	Twin Falls	242	6-17-82
ID	Bruneau-Kuna	2,083	9-28-82
MT	Big Dry	1,322	5-12-82
NV	Clark	3,314	9-17-82
NV	Schell	4,182	9-28-82
NV	Reno	681	9-28-82
NM	West Socorro	929	9-3-82
OR	Riley	1,095	9-7-82
OR	Brothers	1,023	9-14-82
UT	Pinyon	1,222	9-22-82
UT	Ashley Creek	542	9-22-82
WY	Grass Creek	1,004	9-21-82
WY	Green Mountain	1,338	10-20-82
	TOTAL	21,683	

Total to Date: 68 EIS's -- 89,468,000 acres

FEIS DATE FY 1983

Deviations:

Immaterial--	UT	Grand
	WY	Buffalo
Material --	NV	Wells
	NV	Shoshone/Eureka
	CO	Kremmling
	MT	Headwaters
	MT	Billings

STATE	EIS NAME	PUBLIC LAND AC. (000's)	DATE FILED
CA	South Sierra Foothills	246	9-16-83
CA	Alturas	401	
CA	Redding	311	8-17-83
CA	Yokayo	412	8-26-83
CA	Otay	115	4-1-83
CO	Gleenwood Springs	528	6-14-83
ID	Big Lost - Mackay	299	9-29-83
NM	Las Cruces - Lordsburg	1,600	9-14-83
OR	Southern Malheur	4,083	9-21-83
OR	Andrews	1,573	2-16-83
UT	Tooele	1,710	9-29-83
UT	Price River	1,115	1-14-83
UT	Henry Mountain	1,312	5-20-83
WY	Divide	2,101	9-28-83
WY	Newcastle	353	5-2-83
WY	Salt Wells-Pilot Butte	1,645	9-29-83
	TOTAL	17,804	

Total to Date: (9/30) 83 EIS's -- 105,871,000 acres.

FEIS DATE FY 1984

STATE	EIS NAME	PUBLIC LAND AC. (000's)	DATE FILED
CA	Coast Valley	207	
CA	Hollister	320	
CA	Honey Lake - Beckwourth	55	
CO	San Miguel - San Juan	959	
ID	Cassia	498	
MT	North Dakota*	67	
MT	Powder River	1,072	
NV	Egan	3,826	
NV	Lahontan	2,422	
NM	Roswell	976	
OR	John Day*	183	
OR	Medford	402	
UT	Book Cliffs	1,085	
UT	Cedar	1,076	
WY	Platte River	1,418	
WY	Buffalo	799	
	TOTAL	15,365	

*EA planned rather than an EIS

FEIS DATE FY 1985

STATE	EIS NAME	PUBLIC LAND AC. (000's)	DATE FILED
AZ	S. West Arizona	2,499	
CO	Little Snake	1,171	
ID	Monument	1,205	
ID	Medicine Lodge	603	
ID	Jarbidge	1,666	
MT	Garnet	151	
NM	Rio Puerco	97	
NM	White Sands	948	
OR	Spokane*	299	
OR	Two Rivers	307	
UT	House Range	2,343	
UT	Box Elder	1,006	
WY	Kemmerer	1,634	
WY	Gas Hills	1,026	
	TOTAL	15,187	

*EA planned rather than an EIS

FEIS DATE FY 1986

STATE	EIS NAME	PUBLIC LAND AC. (000's)	DATE FILED
AZ	E. AZ Scattered Lands	1,071	
CO	Little Snake	1,171	
ID	Lemhi	459	
MT	South Dakota	280	
NV	Esmeralda	3,373	
NV	Elko	3,260	
NV	Walker	1,946	
NM	Carlsbad	1,014	
OR	Grande Ronde*	52	
UT	Wasatch	110	
UT	San Juan	2,270	
UT	Warm Springs	2,219	
WY	Washakie	1,141	
WY	Medicine Bow	1,269	
	TOTAL	19,635	

*EA planned rather than an EIS

FEIS DATE FY 1987

STATE	EIS NAME	PUBLIC LAND AC. (000's)	DATE FILED
ID	Cascade	514	
ID	Caribou	145	
NM	Farmington	602	
WY	Pinedale	924	
	TOTAL	2,185	

FEIS DATE FY 1988

STATE	EIS NAME	PUBLIC LAND AC. (000's)	DATE FILED
NM	Jornada	114	
NM	Taos	628	
UT	San Rafael	1,536	
WY	Cody	1,013	
	TOTAL	3,291	

QUESTIONS SUBMITTED BY SENATOR DENNIS DECONCINI

Nonenergy Realty - Lower 48

Question: For FY 1982 and FY 1983, please provide the following information for FLPMA land sales in Arizona:

	Acres Offered	Acres Sold
Competitive		
Modified Competitive		
Direct		
Reoffer Over-the-Counter		

Answer: The Bureau does not have information regarding the number of acres offered for sale, or the method of sale, for FY 1982. These statistics were not maintained until FY 1983. The data for FY 1983 are as follows:

	Public Lands in Arizona	
	Acres Offered	Acres Sold
Competitive	12,829	2,417
Modified Competitive	40	40
Direct	0	0
Reoffer Over-the-Counter	10,372	0 1/

1/ As of 12/31/83, none of the acres reoffered over-the-counter had sold.

Question: How many acres will be offered for sale in Arizona in FY 1984 and FY 1985?

Answer: In FY 1984, Arizona plans to offer 3,000 acres for sale. Sale plans for FY 1985 will be developed during preparation of the FY 1985 Annual Work Plan. Each State will determine the number of acres which should be offered, based on prior years sales experience and input by State and local governments and other land users.

Question: One of the objectives of the lands program is to improve Federal management of lands through sale of tracts that are isolated or otherwise difficult to manage. Wouldn't a balanced lands program also emphasize exchanges and acquisition to obtain lands needed for management? Please explain what steps are being taken in Arizona to improve manageability through land tenure adjustments, and what steps could be taken to further improve BLM's situation.

Answer: Through the FY 1984 budget process, the Arizona State Director has developed a land tenure adjustment program which addresses a broad range of land disposal authorities: Recreation and Public Purposes Act leases and patents, land exchanges with the State of Arizona and private entities, land exchanges and selections associated with the Navajo-Hopi resettlement program, and public land sales. Decisions relative to the method of disposal are an outgrowth of the land-use plans which have been completed in Arizona and are believed to be consistent with the needs and desires of the State and local governments and the affected public land users. The following activities are planned for the major case types: process 30 R&PP applications; transfer 20,200 acres through private exchange; transfer 31,800 acres through State exchange; offer 3,000 acres for sale; and accelerate efforts to exchange land in support of the Navajo-Hopi settlement program.

Wild Horse and Burro Management

Question: There are 60,000 wild horses and burros on the public lands, and 25,000 animals can be maintained at appropriate management levels. At the proposed funding level, with removal of 10,500 animals, when will appropriate management levels be attained? Without sale authority, how many animals will be removed annually, and when will management levels be attained?

Answer: At the rate of 10,500 removals per year, the estimated appropriate management level of 25,000 animals would be attained in approximately 16 years (by year 2000). We have not made this level of removals a goal for any year beyond 1985. The rate of removals in 1986 and beyond will depend on funding levels, rates of herd growth, and decisions reached in resource management plans.

Without sale authority, the removal scenario would likely be similar to that with sale. The difference would be that animals removed which might otherwise have been sold would have to be maintained in corrals or destroyed.

Question: The removal of burros from Grand Canyon by private animal protection groups was evidently performed effectively and efficiently and with positive publicity. Is BLM working with these groups to conduct similar operations on public land?

Answer: We have recently implemented a cooperative management agreement program which would facilitate participation by interested groups and individuals in program efforts such as removal and adoption of excess animals. We anticipate groups such as those that participated in the Grand Canyon effort will use this vehicle to become involved in the wild horse and burro program. At the present time, BLM is working cooperatively with four animal protection groups and the National Park Service to remove burros from Death Valley National Monument.

Grazing Management

Question: The number of allotments receiving improvements is reduced due to increased emphasis on cost-effectiveness and encouragement of private cost sharing. What is the backlog of allotments needing improvements, and how many will be improved by private capital in FY 1985?

Answer: Currently we have 551 AMP's which are written but await funding for improvements and/or completion of EIS's and resulting implementation decisions. Some of these AMP's were written before development of the current policy which calls for categorization of allotments to identify resource characteristics, potential for improvement, their management needs, and their capacity to produce a positive return on investment. Many of these "on-the-shelf" AMP's will be reevaluated and alternative management considerations given according to each category and may be dropped as AMP's. The number would then be adjusted downward.

At this time there are no known allotments which will be improved by private capital alone in FY 1984; however, private contributions are normally received on many allotments for some projects in cooperation with BLM funds. This enables BLM to expend some funding on additional areas. In FY 1985 an estimated 20 percent of the allotments will have some private funding to assist in the annual program.

Question: How many dollars of private investment do you anticipate in 1985 compared to Federal investment?

Answer: We do not have an estimate of expected contributions in FY 1985 since contributions are voluntary and usually received after some assurance that projects will be constructed within a reasonable time period.

Recent history shows that among cash outlays, materials, and labor, approximately $1 million a year in private investments is contributed which compares to the BLM Range Improvements appropriation of $10 million.

Additionally, the amount of maintenance on existing improvements being done by the operator is of major importance to the Bureau because it enables BLM to direct more funding toward new improvements.

Soil, Water and Air Management

Question: Please provide a status report on the San Simon Project. Which improvements have not been completed, and what are their estimated costs? How much funding is provided in the FY 1985 budget for their development? Do you anticipate further activity on this project through Federal Assistance in FY 1985 or future years? How has the Barrier Structure held-up during the recent flooding?

Answer: The San Simon Project is nearly complete from a structural treatment standpoint. The major structural improvement which has not been completed is the Timber Draw Dam; its estimated cost is between $1.5 to $2.0 million. No funds have been provided for this project in the FY 1985 budget.

No activity is planned on this project through Federal Assistance in FY 1985 or future years.

The Barrier Structure did an outstanding job in detaining flood flows and sustained no damages during the fall flooding of 1983.

Question: Although funding for watershed improvements will be targeted to correcting unsafe conditions and protecting human health and safety, it is not clear that funding levels are adequate to maintain or improve watershed conditions. What is the backlog of watershed improvement work and its estimated cost?

Answer: In FY 1985, we have directed the program to correct unsafe conditions; and over the past 2 years, we have specifically directed the program to emphasize on-the-ground improvement work, maintenance, and identification of opportunities to control salinity and other nonpoint sources of pollution control through watershed improvement practices. The requested funding level is considered adequate to maintain the current watershed condition.

The backlog of watershed improvement work is approximately 350 projects at an estimated cost of $2.5 million. This includes three major categories of work: watershed improvement, watershed project maintenance, and dam safety maintenance.

Question: Are soil inventories conducted for purposes other than the grazing EIS's? If soil inventories are only adequate to meet the EIS schedule, what additional soil inventory work is not being funded?

Answer: Soil inventories are conducted for purposes other than grazing EIS's; however, the reduced level of soils inventory will not affect the completion of other work. Not all areas, such as the California Desert, need standard soil surveys. Grazing EIS's are being prepared in conjunction with RMP's, and the soil inventory planned for FY 1985 is in line with all other planning and data collection requirements.

Question: Why is funding for water rights claims reduced if scheduling by State governments is uncertain?

Answer: The funding requested for filing water rights claims is our best estimate of workload. If the number of adjudications should require the filing of more claims, program funds will be redirected from lower priority work.

Question: What is the impact on management programs of not being able to file on all needed water rights due to inadequate funds?

Answer: Generally, there is no significant impact on management programs since there are usually no conflicting uses on claims for a particular source, and the State does not require filing before development of a new water source. Those situations where a significant impact is anticipated would be considered priority, and filings would be made as part of the proposed program.

Question: Are any problems created for multiple use management by not having the water rights held by the Federal government?

Answer: No problems have been reported for multiple-use management in Arizona as a result of not having the water rights in the name of the Federal Government. Some conflicts have surfaced in other States, such as Nevada, over water use by wild horses.

Question: Has BLM withdrawn any filings in Arizona as a result of the recent policy change on water rights?

Answer: Yes, BLM has withdrawn or reassigned approximately 1,700 water rights as a result of the new policies for livestock water development.

Wilderness Management

Question: What is the status of the study effort on Arizona wilderness study areas outside of the Arizona Strip? For these WSA's please provide a schedule indicating by fiscal year the number of WSA study reports that will be completed, and the fiscal year in which suitability/non-suitability recommendations will be sent to the President. Also, what is the schedule for GS/BM mineral surveys in Arizona?

Answer: Two studies have been completed and four studies/plans are yet to be completed in FY 1985. The schedule for preliminary final environmental impact statements/wilderness study reports (PFEIS's/WSR's) and mineral surveys is shown below. Suitability recommendations will be forwarded to the President within 6 to 18 months after the mineral survey is completed.

		Completion in Fiscal Year		
Arizona Plan/Study	No. of WSA's	PFEIS/WSR	Mineral Survey Report	Recommendation Forwarded
Upper Sonoran	13	1984	1986	1987
Safford	9	1984	1986	1987
Phoenix	5	1985	1987	1988
Lower Gila South	12	1985	1987	1988
Coronado (FS)	3	1985	1987	1988
Yuma	15	1985	1987	1988

Question: Does the proposed budget contain funds for preparation of management plans and for wilderness management of areas proposed for designation in the Arizona Strip District Wilderness bill and for Aravaipa Canyon? If so, how much is budgeted and for what purposes?

Answer: Funding is provided for Aravaipa Canyon. About $30,000 is budgeted for preparing a wilderness management plan and providing operational funding for management of the area if designated.

Recreation Resources Management

Question: Please elaborate on the proposal to seek opportunities to have State and local government, as well as the private sector, cooperate in the management of recreation use in areas and sites which largely benefit local communities and users.

Answer: The BLM is proposing to expand the use of Cooperative Management Agreements. These agreements provide for management or maintenance of a site, area or facility by either a non-Federal unit of government or a private entity. There is no standard form, and the agreements are normally tailored to the particular situation while conforming to certain basic criteria. Cooperative Management Agreements have only had limited use in the BLM recreation program; and in FY 1984 work will be undertaken to develop criteria to identify candidate areas, formats and standard requirements, as appropriate. This approach will be extremely useful for recreation areas and sites that are of less than national significance but have a high regional, State or local interest.

Question: Has the budget request been reduced in anticipation of this cooperation?

Answer: No. This effort is considered as another aspect of defining more appropriate roles for management of recreation opportunities between the Federal Government and non-Federal entities.

Question: Have any specific sites in Arizona been identified by BLM as being of primarily local benefit, and have any other entities expressed an interest in assuming management of these sites?

Answer: We have only attempted to categorize areas as having national significance or less than national significance and have not attempted to identify sites as being primarily of local benefit. We have received inquiries from the Arizona State Parks Director regarding areas of interest to the State.

Question: Are any sites proposed for closure?

Answer: The determination to close sites will be made at the field level and we have no information on such possibilities for FY 1985. The BLM Arizona State Office indicates no plans for closure of areas at this time.

Question: Is BLM addressing the problem of sanitation associated with the significant number of winter visitors (snowbirds) on the desert?

Answer: "Snowbirds" have camped in the southwest desert of California and Arizona for a number of years. Sanitation and litter problems have been a long-term concern associated with this type of use. Identification of several areas for long-term camping during the winter months has served as an aid to the management of these problems. Most of the "snowbird" users utilize self-contained travel trailers and motorhome units and only need to utilize dumping stations which are found in nearby local communities or on improved BLM sites. In addition, the BLM provides a number of portable toilets at each of these sites.

Identification of designated areas for long-term camping and limiting the length of stay in these areas during the winter months has aided management of these problems. The first step of a long-term visitor use program for designated sites was initiated last fall. This step informs the users that a single charge per season in future years will be required to help offset the cost of sanitation and support facilities. The next step will implement a $25 per camping vehicle fee on October 15, 1984, to be valid until May 21, 1985.

Question: Do you consider this a problem for local authorities when such visitors apparently have BLM's tacit approval to camp for months on public land?

Answer: We are sensitive to the impacts that winter visitors may have on local areas. There are a variety of local opinions about how to deal with the problem. However, it should be recognized that these winter visitors do contribute to the local economy during their stay.

Question: Could recreation user fees appropriated in the Recreation Development and Operation of Recreation Facilities appropriation, as proposed in appropriation language changes for the National Park Service, be used to address this issue?

Answer: Prior to enactment of the FY 1981 Appropriation Act, the fees collected for recreation use of the public lands were deposited in a special account in the Treasury. They were then appropriated for authorized outdoor recreation functions of the collecting agency. A provision of the FY 1981 Appropriation Act repealed the authority to deposit these funds in this special account for subsequent appropriation. The FY 1985 President's Budget has proposed changes to the appropriation language for the National Park Service's "Operations of National Parks System" appropriation which would repeal the limitations enacted in the FY 1981 Act. This change in appropriation language would allow recreation fees collected by BLM to be deposited in a special account for appropriation for authorized outdoor recreation functions of the Bureau. Enactment of this language would be an incentive to recreation users paying fees because they would know that the fees they paid would be used for maintenance and enhancement. An explanation of this is found on page BLM-337 of the FY 1985 Budget Justifications.

Engineering Services

Question: The budget proposes to close the sign shop at Kingman, Arizona, and divert 3 FTE and an unspecified amount of funding to higher priorities in other areas. Please provide the economic analysis developed to arrive at this decision. Are costs merely shifted from Engineering Services to other BLM accounts? How many areas are presently served by the Kingman sign shop and what will be the impact on these areas from closure of the facility?

Answer: The decision to close the Kingman Sign Shop was not based on economic analysis but rather on a reduced production need. Sign orders have dropped from 10,000 signs in FY 1980 to 6,400 signs in FY 1983. This, combined with a reduced Bureau requirement for sign making which allocated only $120,000 for the Kingman Sign Shop in FY 1984, led to the Bureau's decision to close the shop. An additional factor influencing the decision is that the Bureau is shifting from the routed redwood signs to aluminum and plywood. The Kingman shop manufactures redwood signs. The cost savings are not being shifted out of Engineering Services to other BLM accounts but will be used for bridge inspections and health and safety inspections of administrative facilities. There should be no noticeable impact on the six States (Arizona, California, Nevada, New Mexico, Oregon, and the Eastern States Office) that have been serviced by the Kingman facility. These offices will order their signs from the Rawlins Sign Shop where there should be little difference in response time, quality, or cost.

Land Acquisition

Question: How many acres of private and state land occur within the boundaries of areas which would be designated as wilderness by proposed legislation for the Arizona Strip and Aravaipa Canyon? Because no funds have been requested for land acquisition, what provisions are being made to eliminate in-holdings in these areas and provide legal access if it is not presently available?

Answer: The Aravaipa Canyon area contains no private or State acreage.

The breakdown of non-Federal interests in the Arizona Strip area is shown on the attached table. All of the lands listed on the attached table (Attachment 1) are in State ownership. The State of Arizona has indicated an interest in exchanging any State lands which may be included in a designated wilderness area. The Arizona State Director has initiated an active State exchange program which places a priority on acquisition of inholdings in the Arizona Strip area.

The BLM has prepared a wilderness management policy for lands that may be designated as wilderness. That policy provides that States or persons, and their successors in interest, shall be given such rights as may be necessary to assure adequate access to State or private land included within a designated wilderness area.

"Adequate access" is defined as the combinations of routes and modes of travel which will, as determined by the BLM, cause the least lasting impact on the wilderness resource and, at the same time, serve the reasonable purposes for which the State or private land is held or used.

Colorado River Management

Question: As you can well imagine, public officials in Arizona remain concerned about the effects of past and future flooding along the Colorado River. What action is the BLM taking with respect to other agencies in mitigating flood damage to individuals on Federal land?

Answer: In Arizona, BLM is taking several actions to mitigate the impact of flooding such as: assisting concessionaires in securing Small Business Administration (SBA) loans for damages incurred; providing SBA with assistance and support in conducting on-the-ground flood damage assessment work; participating as a member of the emergency disaster team headed by the Federal Emergency Management Agency; providing equipment and personnel to county agencies for emergency flood protection measures; requesting review of BLM actions as they relate to floodplain management by the Corps of Engineers, Bureau of Reclamation, and County Health Services; and coordinating with the Bureau of Reclamation all BLM actions within the floodplain.

Question: Do these activities afford sufficient protection to the health and safety of these individuals?

Answer: Yes, all actions taken by the BLM conform to Executive Order 11988, which requires minimization of flood hazards to life and property.

Question: Is the BLM considering any long-range plans for the management of Federal lands along the River? What do these plans include?

Answer: The BLM lands along the Colorado River are being administered under a Management Framework Plan (MFP) completed in 1975. The MFP was developed in consultation with other Federal agencies and State and local governments and involvement by the public and special interest groups. BLM initiated an updated plan — called a Resource Management Plan (RMP) -- in April 1983, which is scheduled for completion in February 1985.

The ongoing RMP is addressing floodplain management as a principal issue and will consider several alternatives relative to activities which can and should be authorized on public land. Alternatives will range from the complete removal of all facilities from the floodplain, to allowance of permanent or temporary facilities which can be quickly and easily removed in the event of flood threat or which are "flood proof." In any event, decisions made will consider the public comments received and will be consistent with the Bureau of Reclamation's responsibilities and authorities pertaining to Colorado River management.

Proposed Land Exchange

Question: The Papago Indian Tribe has expressed a strong interest in the acquisition of approximately 2,000 acres of BLM land in the Baboquivari Peak WSA. Does the BLM have existing authority to complete a land exchange with the Tribe on this land? If not, what authority would be required?

Answer: The BLM has authority under Section 206 of FLPMA to dispose of land through exchange. Whether or not an exchange with the Papago Tribe is feasible would depend in part on the status of the land which the Tribe would offer for exchange. If the land offered by the tribe is currently withdrawn public domain, a formal land exchange would not be appropriate. A jurisdictional boundary adjustment might be more appropriate in that circumstance. If the tribal land to be offered is owned in fee, the legal authority to exchange lands under FLPMA already exists. While it may be possible to "exchange" land, it is the Bureau's belief that no action should be taken relative to a long-term adjustment of land ownership in the area until the ongoing wilderness study is completed.

Question: If a land exchange is not feasible, could the Tribe purchase the land outright from the BLM? If not, for what reasons.

Answer: FLPMA also provides the authority for sale at fair market value of public land which meets certain disposal criteria as determined through land use planning. In the case of Baboquivari, disposal of the land prior to completion of the wilderness study would require an amendment to the existing land use plan and lifting of the wilderness study area designation by the Secretary of the Interior. (Note: The latter would be possible only because this area is designated for wilderness study under Section 202 of FLPMA, rather than under Section 603.)

Question: If neither a land exchange nor purchase is feasible, how would the Bureau feel about a land conveyance action through legislation?

Answer: Pending the outcome of the wilderness study, the Bureau does not believe that special legislation to transfer jurisdiction would be appropriate or necessary.

Question: The Tribe is interested in preserving this land for religious and historic purposes. As presently managed, how could the Tribe be assured that no development or other activities adverse to tribal religious values be assured?

Answer: The Tribe can be assured that BLM is required by law to address their concerns and has the necessary statutory authority to protect those values. The Archeological Resources Protection Act (ARPA) requires BLM to address impacts on sites or areas of religious significance. Also, the American Indian Religious Freedom Act requests BLM restrict the conduct of any activities that would impact the conduct of religious rites and practices.

Interim wilderness management protection (IMP) already provides a great deal of protection to the area. IMP provides direction to ensure that lands being considered for wilderness will be managed in a manner that will not impair the suitability of an area for preservation as wilderness. Only valid existing rights and "grandfathered" uses, as provided in FLPMA, are exempt from the non-impairment requirements.

If any of the aforementioned activities are in conflict with religious practices and rites, BLM could take further measures to resolve the conflicts through its planning process.

Question: If designated as wilderness, how would these religious rites and practices be affected?

Answer: Again, it must be emphasized that the American Indian Religious Freedom Act requires BLM to consider the impact of its management on religious rites and practices. In the eventuality of wilderness designation, the probability of any conflicts between religious rites and practices and wilderness management appears to be small. Generally, the Wilderness Act permits all activities that do not involve the construction of roads, structures or installations or the use of motor vehicles, motorized equipment or mechanical transport. Consequently, no adverse impacts would be anticipated.

Question: What would the impact of such a conveyance be on public use of the area?

Answer: BLM's land use plan for this area has identified significant recreation values, especially wildlife hunting, hiking and rock climbing. One purpose of the wilderness study will be to assess public values, including its wilderness potential. Exactly how tribal ownership might affect these public uses is unknown at this point; but if the land would be managed similarly to other tribal lands, public use would be restricted.

QUESTIONS SUBMITTED BY SENATOR DALE BUMPERS

Asset Management (Federal Land Sales)

Question: In FY 84, BLM originally requested $18 million for Asset Management. Congress ultimately appropriated $3 million for the program.

What is the request for Asset Management -- or for all activities supporting public land sales -- in FY 85?

Answer: In the FY 1985 budget request, all public land sales activities are funded within the Realty Operations subactivity. About $2.2 million is requested for funding of the public land sales program in FY 1985 as a part of an overall land disposal strategy which includes exchanges, Recreation and Public Purposes Act transfers, State selection conveyances, and boundary adjustments as well as sales.

Question: Secretary Watt announced last summer that the Department of the Interior would no longer be subject to Property Review Board directives regarding disposal of public lands. Is that policy now in effect?

Answer: That policy is now in effect; public land sales activities are conducted in accordance with Department of the Interior regulations and are not subject to Property Review Board review.

Question: How much land does the BLM expect to sell in FY 1985?

Answer: In FY 1985, BLM plans to offer 40,000 acres of land for sale. How much will actually be sold depends upon a number of uncontrollable factors.

Question: Will all of the tracts offered for sale have been identified for disposal in Resource Management Plans or updated Management Framework Plans?

Answer: Yes, only those lands which have been identified as suitable for disposal through the Bureau's land use planning process will be offered for sale.

Question: Will acreage targets for sales be sent to BLM field offices in FY 84 or FY 85?

Answer: Sales acreage targets are not prescribed for BLM field offices. Those offices are directed to develop land sale plans which are responsive to the needs and desires of the State and local governments and the public land users. Plans must also consider Bureau objectives to improve the manageability of land holdings and to offer land for sale or other disposal if that land would serve public needs better in private ownership.

Renewable Resources (BLM)

Question: I understand that BLM's budget request for renewable resources (wildlife, recreation, range management, soil/water/air management, forest management, and fire management) declines in FY 85 for the second consecutive year.

What specific activities will be affected by the reduced funding for renewable resources?

Answer: The following table shows the changes in funding levels for renewable resources programs from the FY 1984 appropriated amount to the FY 1985 Budget Estimate.

FY 1984 - FY 1985 Renewable Resources Funding

Activity	FY 1984 Appropriation Enacted	FY 1985 Estimate	Increase (+) Decrease (-) 1985 Estimate over 1984 Appropriation
Forest Management	$ 6,112	$ 6,286	+174
Wild Horse and Burro Mgmt.	4,974	5,081	+107
Grazing Management	31,360	28,438	-2,922
Soil, Water & Air Mgmt.	16,595	12,882	-3,713
Wildlife Habitat Management	13,515	11,705	-1,810
Recreation Management	18,360	16,077	-2,283
Fire Management	7,446	7,490	+44
Total	$ 98,362	$ 87,959	-$10,403

Question: Do you think these activities have been too generously funded in past years?

Answer: Funding needs for the renewable resources activities vary over the years due to changes in social, economic, and resource conditions. It is the BLM position that the funding requested for FY 1985 is sufficient to properly manage renewable resources and to make the necessary decisions regarding program actions. It is believed that efficiencies resulting from policy and procedural changes during the past 3 years allow for reduced expenditures while maintaining the BLM's commitment to proper resource management.

Question: Do you anticipate requesting a higher appropriation for renewable resources management next year?

Answer: The budget process for FY 1986 is in its early stages at this time, and no decisions have been made on program levels for the renewable resources.

QUESTIONS SUBMITTED BY SENATOR PAUL LAXALT

Wild Horse and Burro Management

Question: It is my understanding that Nevada contains some sixty percent of the wild horses extant in the western states, yet the Bureau expends less than one-third of its funding for roundups in Nevada. Are these figures correct; and if they are, how is the unequal application of management funding justified?

Answer: According to our most recent (October 1983) estimates, Nevada's wild horse and burro population is about 31,000 animals, or 51 percent of the Bureauwide total of 60,300 animals. In FY 1983, Nevada's operating budget for wild horse and burro management was $1,300,000 or 27 percent of the total program availability of $4,876,000.

Expenditures for removal of excess animals were $379,000 in Nevada, or 23 percent of BLM's total of $1,619,000 in the removal activity. With this funding, the Nevada Office removed 2,521 excess horses and burros, or 38 percent of BLM's total of 6,658 animals removed. The Nevada Office, and BLM as a whole, expended 33 percent of their total budgets on removal of excess animals.

Animals removed from the public lands in Nevada must typically be transported to other States where many of the adoption costs, the most costly activity in the program, are incurred. We feel that when the total program needs are considered, Nevada's funding level is appropriate to achieve established program objectives.

Question: What will be the roundup effort in Nevada this coming summer season?

Answer: For FY 1984 as a whole, the Nevada Office plans to remove 1,300 excess wild horses and burros. About 900 removals are to be completed in the second half of the year, primarily after July 1.

Question: What has been the experience of the Bureau in placing wild horses in private hands through the adopt-a-horse program since the adoption fee was set at its present level?

Answer: The present adoption fee of $125 per horse and $75 for each burro was established in March 1983. Since that time, an average of 461 animals have been adopted each month. Between January 1982 and March 1983, the fee was $200 for horses and $75 for burros. Adoptions during that period averaged 357 animals per month. Currently, the Bureau has only 582 applications requesting 1,310 animals on hand, which is not sufficient to eliminate the current surplus.

Question: Would a return to a still lower adoption fee spur greater private interest in the horses?

Answer: Our experience since the fee was reduced to $125 for horses indicates that the fee is only one of several factors determining adoption interest. The general state of the economy, the cost of comparable animals in the private market, publicity, and the distance an individual must travel to adopt an animal also affect adoption interest. Reducing the fee significantly below the current rate would most likely spur the interest of those people who would obtain large numbers of animals for possible illegal purposes.

Question: If more horses are placed under a reduced fee, would that not offset the costs of caring for the horses and actually save the Bureau and the taxpayers money?

Answer: A reduced fee would increase the demand for the less desirable animals and would result in lower care and feeding costs. However, these savings would be offset by the reduced revenue resulting from a lower fee. In addition, past experience shows that low adoption fees increase the likelihood of illegal use of the animals and increase the costs of compliance and enforcement efforts.

Our feeling is that a change in the law to provide the Bureau with authority to sell animals would be a more effective approach to disposing of excess unadopted animals removed from the public lands and national forests.

NATIONAL ENDOWMENT FOR THE ARTS

STATEMENT OF FRANK HODSOLL, CHAIRMAN, NATIONAL ENDOWMENT FOR THE ARTS, CHAIRMAN, NATIONAL COUNCIL ON THE ARTS

ACCOMPANIED BY:

- **HUGH SOUTHERN, DEPUTY CHAIRMAN FOR PROGRAMS**
- **ANTHONY TURNEY, DEPUTY TO THE CHAIRMAN FOR PUBLIC PARTNERSHIP**
- **CYNTHIA GRASSBY, DEPUTY TO THE CHAIRMAN FOR PRIVATE PARTNERSHIP**
- **KATE L. MOORE, DIRECTOR, OFFICE OF POLICY, PLANNING, AND RESEARCH**
- **PETER J. PASSO, DIRECTOR OF ADMINISTRATION**

PREPARED STATEMENT

Senator McClure. The fiscal year 1985 budget request for the National Endowment for the Arts totals $143,875,000, a decrease of $15,878,000 below the fiscal year 1984 appropriations to date. Also pending is a fiscal year 1984 pay supplemental in the amount of $123,000.

It is my pleasure to welcome before the committee once again, Mr. Hodsoll. Your opening statement will be placed in the record in full at this point, and you may introduce your associates and proceed as you may see fit.

[The statement follows:]

STATEMENT OF FRANK HODSOLL

It is a pleasure for me to appear before the subcommittee to discuss the Administration's request of $143,875,000 for the National Endowment for the Arts for the coming fiscal year. Let me say at the outset how much we appreciate the continued concern and support of the subcommittee in the work of the Endowment.

The budget request before you today is equal to that appropriated in FY 83 and reflects a considerably higher level of support than the request submitted a year ago. It indicates growing Administration recognition that the Arts Endowment can play an important part in strengthening the nation's artistic life through its complimentary roles as a national arts advocate and grant maker.

We believe our grants are in many instances catalytic and facilitate the raising of private support. While Endowment grants require a match ranging from one to three non-Federal dollars, the matches in fact generally exceed that required by the Endowment. And even where not catalytic, our grants are an important source of support to emerging artists and our nation's best arts institutions.

But the arts economy does not exist in isolation. The ruinous rates of inflation and high interest rates brought the economy to a near standstill -- serving great hardship on everyone, including artists and arts institutions. Turning the economy around, by lowering inflation to 3.8% percent and cutting interest rates nearly in half has, of course, been helpful to the arts community. The economics of the 1983-84 season appear much better than those of the 1981-82 and 1982-83 seasons.

Nonetheless, there is still progress to be made. Interest rates at 11 percent are still too high and budget deficits threaten all that has been achieved so far. If the budget deficit is not controlled, federal borrowing could crowd out other borrowing, interest rates could go back through the roof, and the recovery could be reversed. If this were to happen, the 1984-85 and 1985-86 seasons would likely be disastrous.

It is in this context that the Administration is requesting $143,875,000 for the Arts Endowment for FY '85. We beleive this amount will enable the Endowment to continue to exert leadership on behalf of the arts, as it did with the same budget level in the past fiscal year, 1983.

Our experience with a similar amount of funding last year indicates that we can accomplish a great deal at this level. We were able in FY 83 to respond to a wide variety of artistic needs and opportunities, and to undertake a number of new initiatives. Some of these efforts involved resources available in our granting programs; others reflected our determination to serve as a visible and vigorous arts advocate on the national scene.

Leadership Initiatives

Last year, we:

(1) Revised the Endowment's Statement of Mission. The new statement focuses on the basic statutory objectives of excellence and access to it; it reaffirms the fundamental importance of the arts, a commitment to freedom of expression, the value of cultural diversity, and the appropriateness of a wide variety of support for the arts.

(2) Advanced the long-term planning capacities of the Endowment. A new five-year planning document, requested by the Congress, has been completed. This effort attempts to discuss the long-range concerns of each of the Endowment program areas while also reviewing issues that cross-cut the different disciplines. We view this planning document as a first step in integrating planning into our annual budget and program planning efforts.

(3) Developed an Endowment policy statement on touring and presenting. Touring and presenting activities are a complex marketplace mosaic which extend seasons and foster the arts. The Endowment reaffirms its commitment to assisting these activities; and, in so doing, to work closely with its state and local partners.

(4) Initiated a study of arts education in the Northeast in order to measure the quality and replicability of arts education programs in settings such as schools, cultural institutions and community organizations. We are also exploring the development of a children's television series on the arts in conjunction with private funders.

(5) Sponsored arts medal legislation. In May 1983, President Reagan honored a group of artists and arts patrons for their artistic achievements and support of the arts. The President suggested at that time that the Arts Endowment Chairman explore with the Congress the establishment of a National Medal of Arts, along the lines of a similar award for achievement in science given by the National Science Foundation. Legislation to establish such a medal is being considered in this session of the Congress, and we hope for passage this year.

(6) Convened a symposium on access to the arts for special segments of the population. In 1983, the Arts Endowment sponsored a first-of-its-kind national symposium in which artists and arts administrators gathered to learn about model methods to make the arts available to older, handicapped and institutionalized people.

Grant-Making Initiatives

Last year, we:

(1) Began the locals test program. The first grants, totalling $2 million, were awarded to five local arts agencies and six state arts agencies on behalf of local arts agencies within their states. These grants are expected to generate an additional $12.1 million in new public support for the arts, with $9.8 million provided by local government. The test program may well bear out the thesis that local public funding for the arts is a largely untapped resource. $2 million is allocated for these purposes in both FY 84 and FY 85.

(2) Initiated the establishment of a new film/video preservation center. The disintegration of film and video stocks ranks as a matter of great urgency. In 1983, the Endowment helped to establish at the American Film Institute a new National Center for Film and Video Preservation. The Center will provide national leadership for the cause of film preservation. $250,000 is allocated for this purpose in both FY 84 and FY 85.

(3) Helped stimulate consortium funding for the production and touring of new interdisciplinary work. The Endowment helped, in collaboration with the Rockefeller Foundation, to develop a consortium of private funders to underwrite the production and touring of cutting-edge works involving artists in different disciplines. It is important that experimental work reach new audiences in other parts of the country. $200,000 is allocated for this purpose in FY 85.

(4) Initiated a new program to assist the revival of theater ensembles. The ensemble approach in theater -- where actors, directors, playwrights, designers, and others work together over a period of years -- has seriously declined as a mechanism for improving collaboration in theater art. Consequently, the Endowment this past year developed a special category to help existing theater companies create or strengthen continuing relationships among theater artists. We have allocated $1.25 million for this purpose in FY '84 and $1 million in FY 85.

(5) Initiated efforts aimed at musical theater preservation. There is broad concern that the heritage of the American musical is endangered through the haphazard way in which the scores and orchestrations of musicals are being stored and maintained. As a first step in defining the extent of the problem, the Endowment has given a grant to the National Institute for Music Theater to catalogue the whereabouts, condition, and completeness of the scores and orchestrations of American musicals.

(6) Initiated the publication of short stories in newspapers. The tradition of short stories appearing in newspapers faded in the 1940's with the rise of magazines. The demise of magazines in recent years has left a void in publishing opportunities for talented short story writers. To counter this trend, which limits the opportunities for writers and audiences alike, the Endowment has been working with the PEN American Center to encourage newspapers to renew publishing short fiction pieces. Since June of 1983, 10 major metropolitan newspapers have been carrying two to four stories a month, reaching 5.3 million readers.

Budget Considerations

In the chart below we outline the allocations by account for the Endowment's past, present, and prospective budget.

($ in millions)

	FY '83		FY '84		FY '85	
	$	%	$	%	$	%
Program	101.675	70.7	118.9	73.4	102.675	71.4
Treasury	11.200	7.8	9.000	5.6	9.000	6.3
Challenge	18.400	12.8	21.000	12.9	18.500	12.8
Administration	12.600	8.7	13.100	8.1	13.700	9.5
	143.875	100.0	162.000	100.0	143.875	100.0

At any level of federal appropriations, the Endowment would have to strike a careful balance in allocating its resources among the very real needs within the arts community. Certain consistent considerations have guided our approach to funding in this budget request as in the past two years:

-- We have examined the history of program funding at the Endowment and arrived at percentages that reflect the balance ordinarily struck in allocating resources. These figures have served as our base line;

-- We have focused additional support in those program areas where private support is more difficult to obtain. Private funders tend to shy away from supporting avant-garde or experimental works, preservation, underwriting individual fellowships, or supporting what are perceived to be less well-developed discipline areas, such as the Folk and Expansion Arts areas.

- -- We have emphasized the need to achieve longer-term institutional support. Yearly project funding from the Arts Endowment is not a satisfactory answer for the chronic problem of undercapitalization affecting the country's major arts organizations. We need to assist the best of our arts organizations, large and small, to achieve increased net worth and a firmer financial footing on which to secure even greater artistic achievement. This consideration accounts for our continued emphasis on the Challenge Program which has had such striking success in securing new long-term private investment for the best of our arts organizations. In the same vein, our Advancement Program may prove a useful development tool in assisting smaller arts institutions requiring technical assistance as well as new private funding.

- -- We continue to believe that support for the arts in this country is, and will continue to be, primarily private and local. As a consequence, we have developed closer working relationships with our public funding partners, and have launched a three-year "locals" test program. We hope to catalyze new sources of local funding for the arts, and we hope that the network of national, regional, state and local public funders will be able to make taxpayer dollars go further through greater cooperation.

Programs

We are requesting $102.7 million in definite program funds, a slight increase over the FY '83 level when the budget was a comparable size. However, certain programs in our current request show decreases when compared to our '83 and '84 allocations. What we have done, in general terms, is to emphasize those programs less likely to be able to attract private support. We have also largely accomplished our "forward funding" activities which tended to inflate certain program allocations in the past two years above their historical base.

"Forward funding" grew out of our realization that grants were being received by recipients well after the start date of the project. This was particularly true in some of the performing arts disciplines where support was being sought for whole seasons of activities after the season had begun. Grants should be delivered to grantees prior to the start date of their projects; otherwise, undue planning burdens are placed on grantees. As a consequence, we set out three years ago to add resources on a one-time basis into certain program areas where grant funds were reaching grantees well after their projects or productions were underway. Taking "forward funding" into account, we are basically maintaining the same levels of support for the discipline programs in FY '85 as we did last fiscal year.

In FY '85 we are undertaking two initiatives within the program account:

- -- Annual Literature Fellowships: Currently, writers have access to the Endowment once every two years. Prose writers are eligible in even years, poets in odd years. The Endowment is the largest supporter of writing fellowships; corporations and other public agencies do not significantly fund individual writers. Given limited funding sources, it is important for the Endowment to be regularly accessible to writers; so in '85 we are providing support for both poets and writers; and

-- Multi-Music Presenters. Ensembles perform often under the sponsorship of presenters whose interest may be directed toward one type of music only (e.g., exclusively jazz or chamber music). In an effort to diversify music presentation and therefore reach new audiences for a broad range of music, the Music Program is instituting a new category, Multi-Music Presenters, to support those presenters who professionally present two or more music genres.

Treasury

We are requesting a level of $9 million in Treasury funds, the same amount provided for the current fiscal year.

Unlike definite program funds, which require a one-for-one match, grants made under the Treasury fund require a 3:1 match. The first, a hard dollar match, must be in hand before the Endowment can release its matching funds. Consequently, the grantee must match the whole amount once again.

While the amount of Treasury funds requested this year is the same as the current year's level, the allocation of these funds has been altered. Fewer Treasury dollars are being used by the programs which find their use cumbersome. A greater percentage of these dollars are being earmarked for the Advancement program which is aimed more exclusively at increasing private support.

Challenge

We are requesting $18.5 million in Challenge funds for the upcoming fiscal year, the same on a percentage basis (13 per cent) as provided the Endowment in Fiscal Years 1983 and 1984.

This level of funding will support the third round of Challenge II. Our experience with the first round, recently completed, indicates that Challenge remains an extremely useful component of Endowment support. In FY '83, 220 organizations applied for funds; ultimately 35 grants totalling $20.9 million was awarded. These grants are required to generate matches totalling $62.7 million.

Administration

We are requesting $13.7 million in administrative funds in Fiscal '85. This request is only 3.6 per cent above the FY '84 level if the Congress appropriates our supplemental for statutory FY '84 pay increases. The primary administrative expenses remain personnel, rent, utilities, transportation, printing, and contractual services.

Conclusion

The arts are under-capitalized and are in need of support from a variety of sources. We cannot claim a direct relationship between a particular level of funding of the Endowment and the overall health of the arts. We can, however, propose a level of federal support and an allocation of that support, which enables the Endowment to continue to exercise leadership and provide ongoing support for excellence and access to it. The budget of $143.875 million, submitted here, accomplishes this. It also allows us to undertake new initiatives in Literature and .

Finally, as we noted before, the Administration is committed to restraint in Federal spending. Even though the arts need additional resources, we must balance these needs with other demands on the Federal dollar. We believe that the proposed budget of $143.875 million balances these needs.

BIOGRAPHY OF FRANK HODSOLL

Francis S.M. Hodsoll was appointed by President Reagan as the fourth Chairman of the National Endowment for the Arts. He was sworn into office by Chief Justice Warren E. Burger on November 13, 1981. Prior to that date, Hodsoll served on the White House staff as Deputy Assistant to the President and Deputy to the Chief of Staff, James A. Baker, III; he was the senior White House liaison for the 1981 Presidential Task Force on the Arts and Humanities.

Since Hodsoll arrived at the Endowment, he has assured the move of the Arts Endowment to the Old Post Office Building at the Nancy Hanks Center; focussed the Challenge Program on assisting capital formation in arts institutions; established a Test Program of support for the Local Arts Agencies; helped to establish a National Center for Film and Video Presentation; helped develop a private/public tour of new interdisciplinary work; established a new support effort for theater ensembles; encouraged the publication of short stories in newspapers; developed a cooperative effort with state and regional arts agencies for dance presentation; and is developing an arts education initiative for students in elementary and high school.

As the first lawyer and first former career government official to head the Endowment, Hodsoll has had extensive administrative and policymaking experience. Hodsoll has held many positions at the State Department and was a career Foreign Service officer; his last post was Deputy U.S. Special Representative for Nonproliferation from 1978 to 1980. During the Ford administration, he was Deputy Assistant Secretary for Energy and Strategic Resource Policy in the Commerce Department. He held posts at the Environmental Protection Agency and the Council on Environmental Quality. Earlier in his career he headed a corporation representing British firms doing business in the Philippines, and was assistant political advisor to the Supreme Allied Commander in Europe at SHAPE headquarters.

Hodsoll earned a BA degree from Yale University and has degrees from Cambridge University and Stanford Law School. He served as a Lieutenant in the U.S. Army.

Born in 1938, he is a native of Los Angeles, and is married to the former Margaret McEwen of Winnetka, Illinois and lives with his wife and two children in Arlington, Virginia.

BIOGRAPHY OF HUGH SOUTHERN

Mr. Southern came to the Endowment in 1982 from the Theatre Development Fund in New York, where he had served as an Executive Director for fourteen years.

As Deputy Chairman for Programs at the Endowment, he is responsible for supervising the twelve major arts discipline programs of the federal arts agency.

During an extensive tenure with the Theatre Development Fund, Southern took two leaves of absence to work with the New York State Council on the Arts: during the period 1974-75 he served as Acting Director of Performing Arts on a six month leave: and in 1976, managed all the Council's programs for three months as Acting Executive Director.

Southern is a Trustee of the Actor's Fund of America, and serves on the adjunct faculty of Columbia University's School of the Arts graduate arts administration program. Prior to his appointment at the Endowment, he was a director of the Film Forum, New Dramatists, and a number of arts service organizations.

Before joining the Theatre Development Fund in 1968, Mr. Southern was a management associate at the San Francisco Opera, and served as acting manager of that company's touring Western Opera Theater. Earlier, he was General Manager of the National Repertory Theatre in New York City and an administrator of the Repertory Theater of

Lincoln Center, The Theater Guild, and Treasurer at the Westport Country Playhouse in Connecticut.

A former director and first president of Opportunity Resources for the Arts, he had also served as a member of the Arts Endowment's Inter-Arts and Theater panels, as a U.S. delegate to the International Theatre Institute Congress in Bulgaria (1979) and on the Mayor's Committee on Cultural Policy for New York City (1974).

Mr. Southern earned an A.B. degree in English and is an honors graduate of Cambridge University, England.

Biography of Anthony Turney

Anthony Turney was named Deputy to the Chairman for Public Partnership in November 1982. In this capacity, Turney heads that portion of the Office for Partnership which deals with regional, state and local support for the arts -- the State Programs, and Artists in Education Program, as well as a new test program of support for local arts agencies. Turney previously was Director of State Programs, a post he held since 1979.

Mr. Turney came to the Arts Endowment from the Southern Arts Federation where he was Executive Director. He served earlier as the Executive Director of the Arts and Education Council of Greater St. Louis, MO.; was President of his own concert and lecture production company in New York City and Executive Director of the Halcyon Foundation in New York (a non-profit organization for the support of the American Museum in Britain). He also served as the Personal Assistant to the Chairman of the Board of Lewis and Peat Group, Ltd. in London (a conglomerate of corporations world-wide) where his work involved special arts-related projects.

A native of England, Mr. Turney came to the United States in 1968, and became a US Citizen in 1976. In addition to wide experience in arts administration at the local and regional levels, he first assisted the National Endowment for the Arts in 1977, serving as a panel member for the Opera-Musical Theater Program. He was also selected by the Arts Endowment to serve as a member of a special delegation to visit the arts Council of Great Britain and the British Council; and was a member of the Endowment's Federal-State Partnership Program Reassessment Task Force on Regional Organizations.

Biography of Cynthia Jeanne Grassby

Cynthia Jeanne Grassby was named Deputy to the Chairman for Private Partnership in November 1982, and heads that section of the Office for Private Partnership which involves private sector support -- the Challenge Grant Program, Advancement Program, and projects involving private sector advocacy and partnership.

Grassby came to the Endowment from the Colorado State Republican organization in Denver, where she had served as Finance Director since 1979 and was responsible for raising corporate and private contributions. She also advised all candidates of the Party -- federal, state, and local -- on successful financial planning.

Grassby, a former member of the Advisory Board of the John F. Kennedy Center for the Performing Arts in Washington, and of the Denver (CO) Alliance's Symphony Guild, has extensive background in fundraising, and in corporate financial management and planning. She worked with Johns-Manville's Industrial Products Division, managing an $8.5 million sales territory in Florida before going to Colorado in 1979, to work with the Republican Party.

Prior to that, Ms. Grassby headed a fundraising program for the American Medical Center in Denver; served with fundraising consultants John Grenzebach and Associates in Chicago, and with the Visa Card Division of the Colorado National Bank.

A native of Denver, she attended the University of Colorado, majoring in Fine Arts.

BIOGRAPHY OF KATE L. MOORE

Kate L. Moore serves as Director of the Office of Policy, Planning and Research of the National Endowment for the Arts.

This office assists in the development of overall Endowment policies through research and analysis, and through management of the Endowment's budget. The Office also provides advocacy for accessibility to the arts for special constituencies, and encourages enhanced international exchange.

In November 1981, Miss Moore came to the Arts Endowment as Special Assistant to the Chairman. She previously served as Special Assistant to the Chief of Staff at the White House. Prior to her service at the White House, Miss Moore was Media Coordinator for the Reagan-Bush Committee. She was previously Assistant Product Manager for the Post Cereals Division of General Foods Corporation. Earlier, she was Sales and Promotion Manager for Bellerophon Books, publisher of art books for children.

Miss Moore holds a Masters in Business Administration from Stanford University Graduate School of Business and a B.A. from Yale University. She resides in Washington, D.C.

BIOGRAPHY OF PETER J. BASSO, JR.

Peter J. (Jack) Basso, Jr. became the Endowment's Director of Administration in January, 1984. He supervises the offices of Administrative Services, Audit, Civil Rights, Contracts, Finance, Grants, and Personnel.

For the past two decades, he has occupied positions of increasing responsibility at the Federal Highway Administration. His most recent post was Program Manager. Prior to that appointment, he served as a Senior Management Analyst and Regional Executive Officer for FHWAS' Direct Federal Program.

Mr. Basso was graduated from the University of Maryland. He participated in extensive management and behavioral science training while working at the Federal Highway Administration, and he has taught a variety of management courses for the USDA Graduate School.

INTRODUCTION OF ASSOCIATES

Mr. Hodsoll. Thank you very much, Mr. Chairman. I'd like to introduce my associates, Hugh Sothern, who is our Deputy Chairman for Programs, on my immediate right. And moving down this side of the table, Anthony Turney, who is Deputy to the Chairman for Public Partnership. At the end of this side of the table is Cynthia Grassby, who is Deputy to the Chairman for Private Partnership, Kate Moore, who is the Director of our Office of Planning and Policy, which includes the Budget Office, and Jack Basso, who is our Administrative Officer on my extreme left.

Senator McClure. Thank your very much, Mr. Hodsoll.

I think in the interests of time, we proceed directly to the questions.

Mr. Hodsell. That would be fine.

Senator McClure. The justification contains some good news with regard to private support for the arts in this country; 1981 and 1982 witnessed the first real growth in constant dollars for private giving to the arts since 1976. The justification states that just the increase in 1982 over 1981 amounts to 17 times the Endowment's proposed reduction in the 1985 budget, as compared to the 1984 level. If our computations are correct, this would amount to an increase in private giving of approximately $268 million.

What was the total amount of private support in 1982?

Mr. Hodsoll. The total amount of private support—the arts and humanities, that is to say, for cultural giving as reported by the American Association of Fund Raising Counsel—was $3.63 billion excluding the Getty bequests which add another $1.3 billion. The amount in 1981 was $3.35 billion. The difference between those two amounts is $280 million, which is the way we calculated it.

PRIVATE SUPPORT

Senator McClure. Are any figures on the 1983 level of private support available?

Mr. Hodsoll. Not yet, sir. We're waiting for those.

Senator McClure. When will they be available?

Mr. Hodsoll. I don't have the exact date. They usually come out in April, May.

Senator McClure. The justification also indicates that anticipated increased tax forbearance alone is about equal to the Endowments' budget. What is the current level of tax forbearance? And will the increased level result from new initiatives or from more people taking advantage of current tax statutes?

Mr. Hodsoll. Those figures, sir, were calculated very approximately. I do not have a tape from the Internal Revenue Service. It was based strictly on 50 percent of the $280 million which I mentioned earlier, or $140 million. Earlier, 2 years ago, we had made similar calculations with Treasury concurrence. They felt that a 50 percent number was in the ballpark.

Senator McCLURE. But you're talking about current law, not changes in law.

Mr. HODSOLL. I'm talking about current tax law, no changes in tax law.

Senator McCLURE. Considering private support, State, local, and Federal support, and tax deductions, what is the per capita spending for the arts in this Nation and how does it compare to other Western nations?

ARTS SUPPORT IN EUROPE

Mr. HODSOLL. Yes, sir. Based on 1980 figures—we haven't updated this to 1982 or 1983, but I would think the orders of magnitude would be roughly similar—we made a comparison with the United Kingdom and with Sweden, both of which have substantial direct appropriations for the arts.

In comparing percentages of GDP—gross domestic product, that is GNP with the trade and service accounts taken, accounts taken out—we discovered that, when you include tax forbearance as well as direct programs, U.S. taxpayers' dollars approximately equalled those of the United Kingdom and Sweden in relation to the difference being that in the United Kingdom and Sweden you have substantially greater direct appropriations, but you do not have in any material degree the ability to deduct charitable contributions from your taxes.

Senator McCLURE. Now, you related that to GDP. Did you do it on a per capita basis?

Mr. HODSOLL. We did this on per capita GDP basis too.

Senator McCLURE. All right.

Mr. HODSOLL. Yes, sir.

Senator McCLURE. And that was for 1980, you say?

Mr. HODSOLL. We did this in 1981 on the basis of 1978. That was based on 1980 numbers when I did that.

Senator McCLURE. Yet there was a big increase in private contributions in 1981-83 in the United States. Is that not correct?

Mr. HODSOLL. That is correct. That might even improve those numbers. I have not checked that out, sir.

Senator McCLURE. Would you check the available numbers?

Mr. HODSOLL. Yes, I will.

Senator McCLURE. Apparently, you have them for 1982, but not yet for 1983. If you would do that, I would appreciate it.

Mr. HODSOLL. We will provide that, sir.

Senator McCLURE. Thank you.

[The information follows:]

There follows a table indicating 1982 dollar investments in the arts in Australia, France, Italy, Sweden, the United Kingdom, and the United States. The figures represent direct appropriations for the arts in all of these countries plus an estimate of tax forebearance resulting from private contributions in the United States. No estimate has been made of tax forebearance in countries other than the United States because these countries do not have significant provision for tax deductibility for charitable contributions, and no data are collected on this subject in these countries.

It should be also noted that the Government appropriations in France and Sweden (see footnotes below) substantially overstate the amount of Government support in that they include items such as archives, Government supported film production (primarily commercial in this country), public libraries, historic preservation, and the like. The U.S. figures do not include historic preservation, State, local, and regional taxpayer support, and national institutions such as the Smithsonian (and its constituent entities).

We will be undertaking a study in the next months to refine this data; but the basic conclusion stands. U.S. taxpayer dollars for the arts compare favorably in terms of percent of GDP and per capita GDP to those of other major Western countries. The difference is that the prepondernace of taxpayer support in other countries is channeled through direct appropriations to arts councils, or ministries of culture—to be then dispensed to artists and arts institutions. In this country, the prepondernace of support comes from individuals, corporations and foundations, encouraged by tax deductions. In the other countries the ministries and councils decide who gets what; in this country everyone can decide.

	(A) Arts support in U.S. dollars	(B) Arts support per capita	(C) "B" as percent of per capita GDP
Australia (Australia Council)	$32,100,000	$2.14	0.021
France[1] (Ministry of Culture)	911,700,000	16.81	0.168
Italy[2] (Cultural Institute)	189,600,000	3.37	0.055
Sweden[3] (Ministry of Education)	111,000,000	13.32	0.130
United Kingdom (Arts Council)	130,000,000	2.33	0.030
United States[4] (Arts endowment plus estimated Federal tax forbearance on private cultural contributions)	1,607,500,000	6.93	0.053

[1] Not directly comparable to the arts agencies of commonwealth countries and the United States. Includes expenditures classified as national heritage, archives, et cetera., thus overstating comparable direct Government support.

[2] Available data represents the Government line items for Lyrical Theater, Musical Theater, Prose and Cinematic Theater.

[3] Problems of comparability, as in the case of France. Available data represents Ministry of Education line items for theater, dance, music, film production, literature/public libraries, and visual arts, thus overstating comparable direct Government support.

[4] Excludes other direct Federal expenditures for cultural purposes:

Commission on Fine Arts	$303,000
Historic Preservation Fund	25,400,000
Institute of Museum Services	11,500,000
National Endowment for the Humanities	129,700,000
National Gallery of Art	29,800,000
Smithsonian Institution	145,200,000

The arts in the United Statea also received direct support from other levels of Government in fiscal year 1982:

State	$124,000,000
(Source: NASAA).	
Local	$300,000,000
(Source: Cultural Policy Institute).	

The U.S. figure includes appropriated funds for the National Endowment for the Arts ($143.5 million) plus Federal tax forbearance [40 percent times $3.66 billion (total private cultural support as estimated by the American Association of Fundraising Counsel)].

ANNUAL AWARD AUTHORIZATION

Senator McClure. The Endowment has submitted and the House has passed legislation to authorize the annual award of up to 12 arts medals in recognition of individuals and groups who make outstanding contributions to the arts. As a member of the Board of Trustees of the Kennedy Center I have some concerns that such an award sponsored by the Endowment might conflict with their achievement awards.

The Kennedy Center gala held each December is the major Kennedy Center fundraiser. Have you discussed this matter with representatives of the Kennedy Center?

Mr. HODSOLL. Yes, sir. We have. I had several meetings with Roger Stevens and also a meeting with George Stevens, and several conversations—both my staff and I—with Tom Kendrick.

The result of these conversations was agreement on language which, when the Senate—as we hope the Senate will do—acts on this bill, would be read into the record. Basically, that language would provide for recognition of the Kennedy Center honors as a very important honoring and recognition of artists in the performing arts, as you noted, sir; and, second, indicate that any arrangements for the Presidential medal would not conflict in any way with the giving of the Kennedy Center honors.

It's a simple general statement that would be included at the time of passage.

I might say that, in addition, in my discussions with Roger Stevens, we've looked in somewhat greater detail about how exactly we would do that. Normally, the Kennedy Center honors are given in the fall. We would envisage, as the President did for his luncheon last May, trying to schedule this kind of honoring in the spring, that there would be that kind of difference in scheduling between the two ceremonies, sir.

Senator MCCLURE. It has been suggested that the initial effort will be in the spring and I think it has been suggested that in order to avoid a conflict in time the Endowments awards be made in June.

Would you object to a stipulation being added in the legislation to that effect?

Mr. HODSOLL. I would prefer, sir, not to have such a stipulation in the legislation because I think, whoever is President as these awards would continue should have an option as to schedule the awards in different months and normally you don't put in legislation a specific date.

But I think that if the colloquy at the time of adoption includes an understanding, which would be the case, that there will not be conflict that that should cover it. For example—at a future date as one looks way down the road, the Kennedy Center honors may change their dates, too. It seems to me the important thing is to have the principle of no conflict.

Senator MCCLURE. How would decisions be made regarding those to receive the medals? Would the Endowment solicit nominations, or how would you go about doing it?

Mr. HODSOLL. The legislation, sir, provides for the National Council on the Arts to make recommendations to the President in this regard. As you know, our legislation envisages not only awards to artists of all kinds, performing and nonperforming, but also to patrons of the arts as was done at the White House luncheon.

I suppose that the way in which this would work is that we, the Endowment staff, so to speak, would canvass the fields, and develop a list for the National Council. The National Council would then discuss that, come up with the list that would finally be sent to the White House for the President's consideration.

Senator McClure. So that would not just be recommendations to the White House, but you'd submit a final list.

Mr. Hodsoll. The National Council on the Arts would submit a final list. Ultimately, as the legislation provides, the President is at liberty to select whom he gives his medals to. But I think if one looks at the National Medal of Science Act, on which we modeled this act, Mr. Chairman, it's very unlikely that any President's going to reject a list coming forward from the National Council.

NATIONAL MEDAL OF ART EXPENSES

Senator McClure. Have you estimated the administrative expense that would be incurred by the program? And, if so, would those costs be absorbed within the Endowment's administrative funds, or would additional money be sought?

Mr. Hodsoll. They would be absorbed within the Endowment's administrative funds. Our current estimate is that, in the first year, assuming we awarded 10 medals, we're talking about $25,000 because we also have to commission the medal in the first year and so on.

For the following years, in current dollars, we're talking about on the order of $15,000 a year. That's a ballpark estimate.

Senator McClure. So the commissioning of the medals would be included in that $25,000 figure?

Mr. Hodsoll. Yes, sir.

WASHINGTON ARTS ORGANIZATIONS

Senator McClure. Mr. Hodsoll, I know you're aware of an amendment I was prepared to offer at the close of the last session of the Congress to authorize a program of support to artistic and cultural organizations in the Washington, D.C. area to be administered by the Endowment.

Through addons to the budget, a number of organizations, such as the National Symphony Orchestra, the Corcoran Gallery, Folgers and others, have received direct Federal support for a number of years.

In fiscal year 1984 funds were provided to the Washington Opera Society for the first time. Other organizations, such as the Capitol Children's Museum and Arena Stage, have sought—unsuccessfully so far—to be given similar special consideration.

The level of support is usually determined by past funding levels or whatever amount the particular organization is able to get approved by the Congress. My amendment sought to centralize the funding and to provide an application and review process for what is currently an ad hoc effort.

Concern was expressed by the arts community that such a program would amount to an earmarking of Endowment funds which we have all successfully avoided. My response would be that we would not expect the Endowment to request funds for the program just as neither the Smithsonian nor the Park Service requests money for their organizations we fund through them.

Can you tell me under what, if any, circumstances the Endowment would be willing to perform this service?

Mr. HODSOLL. Well, sir, I may lead up to the answer to that question, I think that, first, there is a case that probably can be made with regard to the major D.C. organizations. You've identified some of them.

Therefore, we at the Endowment very much welcome your interest in this. We also believe, and I personally believe, that one needs to regularize the process whereby additional appropriations are given to these organizations.

However, I do think that it does pose difficulties for the Endowment to be the agency that administers these funds for the reasons that you have said, but also because I think that the Endowment right now is a fairly clean—to use that word—national organization in terms of running a system of grants and advocacy for arts organizations across the country.

I would hate to see, even in this particular exception, an exception being made for what is undoubtedly a very worthy cause for the Endowment. I do think, sir, that an alternative could be devised—I do not have it fashioned at this hearing—which would provide both for congressional oversight and for distribution of moneys among the D.C. organizations.

What I would very much like to do, if it met with your approval, is to work with you and your staff and with the House side in the course of this coming year to develop an arrangement that is satisfactory to all parties—and we would be prepared to help with that—so that when it comes time for our reauthorization in 1985 we can have a system that applies across the board.

Senator MCCLURE. Well, I think something needs to be done.

Mr. HODSOLL. I agree.

Senator MCCLURE. We started rather tentatively a few years ago in this field and it's grown consistently and constantly more troubling. It invites the kind of intensive lobbying efforts that organizations can mount; and last year it got to the point of being ridiculous, in my view.

When individual Members call me, I understand that. But when their wives are mobilized to call me, I object. And that's exactly where we were last year.

Each local organization would entertain our wives and then we would all get calls from our wives. I know I must communicate with my own wife and I do, and I get lobbied by her constantly and I don't object to being lobbied by other Members' wives.

I mention that only because it got to the point last year where it was which organization could mount the most effective pressure through that and other devices. That doesn't seem to me to be a rational decisionmaking process, with all due respect to the organizations and the wives.

Mr. HODSOLL. I thoroughly subscribe to that, sir.

Senator MCCLURE. I hope we'll find a different way. I understand your reluctance for some of the reasons you've stated.

The other side of that, though, is I feel the necessity of doing something different than we're doing now.

Mr. HODSOLL. I agree with that.

Senator MCCLURE. We're going to have to find some way of doing it.

APPLICATION-GRANT STATISTICS

In eight categories under six different programs the number of applications and the number of grants to be awarded in fiscal year 1985 are identical. We assume that these are some type of continuation grants. Is that correct?

Mr. HODSOLL. They are in most cases, sir. Basically where you see the identity between applications and grants we're talking about rather special instances in the Endowment's panoply.

For example, a large portion of the dollars in this are for the 50 State arts agencies and the 6 arts agencies of special jurisdictions which apply every year. There are only so many territorial jurisdictions and those grants are made in that regard.

Also, we have in addition a number of leadership initiatives in the design arts program, for example, where we are engaged in contracting cooperative agreements with particular organizations that can best carry forward leadership in a particular design area. An example of this would be our design competitions program.

The National Heritage Fellowship Award program is another example where nominations are received from the field and ultimately that ends up in 15 or so applications to recognize senior folk artists. In all cases, we're talking about that kind of thing, sir.

Senator MCCLURE. Overall 59 applications fall into this category. While this is a very small percentage of the total applications considered by the Endowment, the funds allocated by these programs total $4,674,000, or about 6 percent of the funds requested for regular programs.

This compares to 30 such identical applications and awards identified in the 1984 request with funding of $2,475,000, or 4 percent of the fiscal year 1984 requests for regular programs. That's a 50-percent increase in the numbers and near doubling of the dollars involved.

Is a pattern being established with respect to the Endowment's making more commitments for continued funding of certain projects?

Mr. HODSOLL. Certainly no pattern by design. I don't know if any of my colleagues would like to comment on that.

Ms. MOORE. It's not a broad pattern by any means, Senator. There are a couple of initiatives that are reflected in our budget that lead to this.

For example, in the theatre program area we have initiated an effort to promote ongoing ensembles in the theatre community. That's an initiative that began in fiscal 1984.

In the 1985 budget, we would continue—after the competitive selection process that goes on in fiscal 1984—to support the ongoing aspect of those ensembles with those grantees selected. But it's not, I would say, a broad effort through the Endowment by any means.

DECLINE IN EXPANSION ARTS AND THEATER APPLICATIONS

Senator McCLURE. Applications for the expansion arts program declined 42 percent between fiscal years 1983 and 1984 and for the theatre program applications declined 46 percent over the same period.

Is there an explanation for these rather dramatic changes?

Mr. HODSOLL. In the case of the expansion arts program, Mr. Chairman, basically what happened in that period is that we tightened up our guidelines in that program to focus on organizations that are deeply rooted in and reflective of a minority, inner city, tribal or rural community that produced or presented art as opposed to provided general education in the arts.

We still kept in the provision for professional training on the part of these organizations, but we eliminated the general education aspects because we felt that general education of these groups, as well as other groups, ought to be subsumed as a part of a total package which we're now in the process of moving forward with in arts education.

Also, even before I became Chairman, there was a tightening going on in the expansion arts program to concentrate more resources among fewer organizations to help them build up to the point where they could become less dependent on taxpayer dollars.

In the case of the theater program, basically there's an anomaly in the figures. Essentially, in 1984, we did not have applications from playrights and translators for the playrights and translators categories. That was due to a scheduling difference. So you have a swing from 1983 down in 1984 and up again in 1985 because of that.

DESIGN ARTS—PRODUCT AND FASHION DESIGN

Senator McCLURE. Among eligible activities under the design arts program are product and fashion design. Can you provide a rationale for Federal support of these activities, and also provide some examples of grants that have been made for fashion and product design?

Mr. HODSOLL. Yes, sir. I can.

The design field is probably the most broad of any of our programs. It includes anything that is manmade which has a design component. Both product design and fashion design are important and well established professional fields within this, and we feel that helping them is just as important as helping architecture or urban planning or landscape architecture and so on.

Basically, to give you an example of some of these things, in product design we actually achieved some rather beneficial publicity for our help of a new wheelchair design, which was written up in Time magazine, we made a grant for that in 1980. Also, in the area of product design, we have issued a number of grants which deal with making office places more compatible with the workers; for example, the design of chairs and equipment in this respect.

Fashion and product design are both, I might add, rather small proportions of the total design program.

An example of fashion design is the development of designs for clothing for the physically disabled, a grant in this case to a Dr. Quinn of Drexel Institute. We've also funded projects that raise public awareness about the art of fashion design. The Phoenix Art Museum was an example here.

One of the things that's in our 5-year planning document, which we've recently developed, is that in both these areas not as much attention is being given to the user as might be the case; and this is an area in which the Endowment has tried, in a small way, to make a difference.

Senator McClure. I guess it would be fair to say that I—I'm not sure about the rest of the committee, but at least I have some skepticism of the involvement in what are primarily commercial activities in which presumably design is reflected in products that are placed before the public and done for commercial reasons; and that what we could do in that area is so very small as compared to what's done by others who seek to gain a place in the market that it may be totally lost.

Mr. Hodsoll. Well, you certainly have a point. There's no question that in the whole field of design, not just these two, we're talking about economic activity.

I might note, however, that these fields are included in our enabling legislation specifically by name, fashion design and so on. I think that probably conceptually the most difficult program at the Endowment is the design program.

Clearly, when you're talking about a budget of, between $4 and $5 million to affect multibillion dollar activities you have to be very careful and also imaginative about the way in which you use your money. I think the design program has, over the years, though, Mr. Chairman, done quite a lot.

Indeed, the President has recently recognized the need to create some leadership in the design field by the new awards for Federal design that he has recently created which we hope to develop recommendations for by the end of the year.

CHALLENGE GRANTS

Senator McClure. Let me turn for a moment to challenge grants. In fiscal year 1983 the Endowment allowed previous recipients of challenge grants to apply for a second grant.

According to the justification, 71 percent of the challenge grants awarded in fiscal year 1983 went to second-time grantees. What proportion of the applications were submitted by prior grantees?

Mr. Hodsoll. The proportion of prior grantees was about 2 to 1; two grants to prior grantees versus one to new grantees.

Basically, this results from the change in our challenge guidelines of which the first year of experience is the year you're referring to. We had had, as you know, sir, 5 years of challenge experience with no repeats; and, as we arrived at the end of that—my first year in office was the last year of that particular round—we undertook a survey of nearly 50 organizations around the country to try and get a sense of what was most important to accomplish in this essentially institutional category.

The result of that was that the greatest need in the 1980's, at least as it appeared to us, was to assist the undercapitalization problem and to develop, to use a commercial term, a greater degree of net worth in some of our better—both large and small—organizations.

In focusing the challenge program in this area we felt that it was important to allow people who had applied before and received grants to come back in. Now, if you look at the history of the prior challenge program some of the most important, most prestigious, most excellent organizations in the country basically now were coming back in and competing with others.

I think, personally, that the fact that about one-third of the grants made were to first-time challenge grantees in that extraordinarily difficult competition is a tribute to the fact that the system is very much open.

Senator McCLURE. Are second-round applicants held to higher or different standards than those applicants who have not received a challenge grant?

Mr. HODSOLL. No, sir.

Senator McCLURE. They're all judged on the same criteria.

Mr. HODSOLL. All judged on the same criteria.

PANELIST COMPENSATION—PROPOSED GSA RULE

Senator McCLURE. Mr. Hodsoll, as you are aware, the General Services Administration has proposed regulations which would make it the policy of the Federal Government that compensation would not be made to advisory committee members absent a statutory requirement. Both NEA and NEH wrote to GSA stating their opposition to these proposed regulations.

In the second supplemental for fiscal year 1984 an amendment was added in the House which would exempt NEA and NEH, the Institute of Museum Services and the National Science Foundation from these regulations.

Do you support that amendment?

Mr. HODSOLL. Well, sir, right now—and speaking for the administration—this whole issue is under review at the Office of Management and Budget. The regulations have not been finalized and we are paying our panelists $75 a day as we have in the past. My hope is that we can resolve this within the administration and that legislation will not be necessary.

Senator McCLURE. When you say resolve it, you intend to be able to do what you're currently doing.

Mr. HODSOLL. Yes, sir; let me speak, for the record, that as far as the National Endowment for the Arts is concerned, we believe that we should pay the people that come down out of their busy lives and provide us with their advice. It's the heart of our system. I personally believe that's very important.

Senator MCCLURE. The Department of the Interior has 162 advisory committees. Yet they compensate only 2 percent of the committee members. The Departments of Commerce, Agriculture, Energy, Treasury, State, and Labor compensate less than 10 percent of their advisory committee members.

On what basis have you determined that the proposed policy would make the Endowment unable to maintain the current peer review system?

Mr. HODSOLL. First of all, I don't have knowledge of the people at Interior or the State Department, what kinds of people we're talking about.

But in the case of the arts I think it is fair to say that most of the people that come down and give us their advice are not wealthy and they need this additional compensation. I would also hate to see a system in the arts—and again I can't speak really for the other agencies you mentioned—in which only people who were well off could advise us.

I feel, also—and this is just really more a question of philosophy—that if there is a rate of pay established for a job, that if a person wants to volunteer to give it up that's one thing. But I don't think it's appropriate for a Federal agency to say, "Hey, why don't you give back this money?"

The last point I would make, simply, sir, is that what we pay in terms of an emolument of $75 a day is considerably less than the amount that could be paid at the highest level. The highest level is on the order of $175, and we're paying $75.

It helps these people to come down and it takes the onus off anyone who might feel he couldn't; and I think it's important to continue that across the board in our agency, sir.

Senator MCCLURE. Well, I haven't made an analysis, but I suspect out of the several advisory committees and several departments, we do find some people that are not wealthy who do contribute their time with only the reimbursement of their expenses. I think it is correct to say that aside from the per diem that's paid their expenses are also reimbursed to them.

Mr. HODSOLL. Yes.

Senator MCCLURE. I guess what I'm saying: Yes, I understand the philosophy you've expressed, but I'm not certain that I understand why in the field of arts and humanities people demand pay when they don't in all these other areas.

Mr. HODSOLL. Well, I'd have to make an analysis, sir, of the wherewithall, I suppose, in these other areas. All I can say is that in our area most of these people are artists or arts administrators. They are rarely the superstars who make substantial moneys, though occasionally they are.

And there is a need, I think.

Senator McClure. The regulations provide a waiver should an agency be unable to obtain the needed representation of technical expertise without compensation. Why isn't this waiver sufficient for your purposes?

Mr. Hodsoll. Well, I think that in our case since we have over 600 panelists who come in and we have to do this with new panelists every year it would be administratively very difficult for us to process waivers as we went along.

But I also come back to the general philosophy in respect to the arts endowment, and that is that our history has been one of paying people for services rendered. I really do think that we should continue that as a matter of principle, not just as a matter of administration.

ADDITIONAL COMMITTEE QUESTIONS

Senator McClure. Thank you, Mr. Hodsoll. We'll be submitting some other questions to you in writing for response in writing for the record.

Mr. Hodsoll. Yes, sir. Fine.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

Question: I believe that your staff has a copy of the proposed amendment (McClure amendment on Washington groups); if not we will supply you with one. For the record, would you please indicate any changes you would recommend.

Answer: As I have indicated, I have some concerns with the money for the Washington groups passing through the Arts Endowment as envisioned in your draft proposal. The Arts Endowment, through its panel and Council system, gives out money from a national perspective not based on geographic considerations. Also, we give grants for projects and productions whereas the money provided by the Congress to the Washington groups thus far has not been linked to specific projects, with the exception of money for symphony concerts at the Capitol. For these reasons, sending money through the Arts Endowment's panel system would be difficult.

The question would then come up: What would be an appropriate vehicle for passing the money through to the Washington groups? There are also the questions of criteria for inclusion, the appropriate level of funding, the factors involved in allocation of funding, the composition of a panel, etc. There is the consideration that the Folger and Corcoran are already authorized for funding in separate legislation.

It seems to me that the draft proposal seeks to rationalize a process that is now ad hoc. Because there are implications in such funding for the Arts Endowment, for the national arts constituencies, for the groups in Washington, for federal funding policy in the arts in general, I believe the issues of special funding in the Capitol should be carefully analyzed. Some concensus among the interested parties is necessary to devise a workable solution.

It is for this reason that we intend, as I have indicated, to undertake a study in conjunction with the affected arts groups to look at this whole question. This study, we would hope, would serve as a basis for continued Congressional analysis and possible legislative action during the course of the Endowment's reauthorization which will get underway late this year or early in the next session. There is indication on the part of our authorizing committees that they would also like to take a look at this matter.

At the same time, I would like to assure the Committee of my personal agreement that we need a better system than currently prevails with respect to the Washington arts organizations. We will be very pleased to work with the Committee in developing improved approaches.

Question: The Department of Agriculture and the Endowment are working with the National Trust for Historic Preservation on the Trust's "Main Street" film. How much will the Endowment contribute toward the scripting and do you plan to provide any other support for production of the film?

Answer: In FY 1984 the National Trust for Historic Preservation received a grant of $50,000 to create a new film on the "Main Street" project that would update the original film produced in 1981. The Endowment grant will account for less than 20% of the total project cost of approximately $350,000.

The recent "Main Street" film grant is intended to help fund the creation of a new film that accounts for the lessons learned and new projects undertaken since the first film was produced. Two of the new initiatives include the Program's expansion into strip shopping streets in urban neigborhoods, and at the other extreme, the problems of main streets in small rural towns.

The Design Arts Program has a long history of grants to improve the quality of our cities and towns through projects like the Center for Small town Research and Design at Mississippi State University, the Design Michigan Program at the Cranbrook Academy of Art, and through a number of special initiatives funded by the Program including Gritty Cities Project, the City Spirit Project, City Edges, and the highly successful Livable Cities Program.

Question: Is there any particular reason why the Department of Agriculture funnels its money through the Endowment to the Trust for the "Main Street" project?

Answer: The National Endowment for the Arts and the Office of Rural Development of the United States Department of Agriculture are working under an interagency agreement to introduce the "Main Street" program to civic leaders and decision makers in rural towns throughout America. There are several "particular reasons" for the NEA/USDA collaboration:

The Endowment has assisted the "Main Street" program since 1977 with great success. The USDA project was seen, from the beginning, as an appropriate and attractive interagency activity to support better civic design in small town America, and to extend our initial support to a vast new audience.

The Endowment is responsible for managing the project in cooperation with the USDA. This means the Endowment takes an active role in the project rather than a passive oversight position. The project was initially conceived as a two year effort involving a close working relationship between the NEA, USDA, and the Trust. It was never conceived as a quick-fix year long effort.

This interagency activity in support of mutual objectives is consistent with other past interagency activities undertaken by the Program. (For example, our work with DOE, DOT, HUD, and the sixty agencies the Program worked with under the "Federal Graphics Improvement Project."

Question: Does the Endowment, through the Folk Arts Program, provide any assistance to States who are requested to participate in the Folklife Festival sponsored by the Smithsonian Institution? If so, please provide details for the record.

Answer: At present, the Folk Arts Program does not fund the states featured in the Festival for their Festival activities, nor have we done so in the past.

However, for the past two years, the National Heritage Fellowship winners have been announced during the Festival. It has occasionally happened that one of the Fellowship winners has been a native of a state featured in the Festival, and that the Smithsonian has contacted that person to perform during the Festival. These

These arrangements are entirely separate from any Endowment funding.

Question: When the proposed General Services Administration regulations concerning compensation of panelists are finalized, will the Endowment make an effort to comply with the regulations absent enactment of the amendment added to the Second Supplemental for Fiscal Year 1984 which would exempt NEA, NEH, the Institute of Museum Services and the National Science Foundation from these regulations?

Answer: Should the regulations be finalized regarding compensation to advisory committee members, the Endowment will make an effort to comply with such regulations. As is more fully discussed in our statement filed in opposition to the proposed regulations, we believe enactment would be extremely difficult in that it would have a substantially disruptive effect on our ability to attract the best talent to serve on our peer panels. Nevertheless, as an agency of the Executive branch, we will be bound by a final determination as embodied in a final regulation.

Question: The fiscal year 1982 estimate for equipment was $10,000--the Endowment actually spent $372,000; the fiscal year 1983 request for equipment was $10,000--the Endowment actually spent $194,000; the fiscal year 1984 request for equipment was $10,000--the '85 justification has revised that estimate upward to $25,000. Does the Endowment have a policy of using year-end funds to purchase equipment?

Answer: The $372,000 reported for equipment expenditures in FY '82 included $202,000 of the $246,000 appropriated for the move to the Old Post Office; original plans called for the purchase of the "Systems Furniture" which subsequently was leased from GSA. Thus, the actual equipment expenditures for FY '82 were $170,000 and relate primarily to our initial investment in the Wang computer system.

Of the $194,000 of equipment expenditures reported in FY '83, $140,000 was for computer equipment, $32,000 for audio-visual equipment (cost shared with the Humanities Endowment) for the joint use Council Room and the remaining $22,000 was for typewriters, calculators, etc.

The FY '85 Congressional Budget Justification reflects equipment expenditures of $25,000 as compared with our previous estimate of $10,000 in last year's submission. We consider the current estimate to be more realistic based upon additional needs identified during the intervening year.

The Endowment does not have a policy of using year-end funds to purchase equipment. As a matter of reality, however, cost savings used in FY '82 and FY '83 for equipment purchases were not realized until the fourth quarter at which time we proceeded with planned equipment acquisition.

When I became Chairman in 1981, the Endowment's ADP system -- or, one should say, lack of system -- was totally inadequate. It lacked the ability efficiently to monitor allocations, obligations, and outlays; to track multiple grant requests to different programs; to aggregate information on grantees; etc. Our Four-Phase Equipment inherently contained severe limitations and lacked compatibility with other systems. Form letters were being typed on regular typewriters; our word processing capacity was very low indeed. The Wang equipment purchases (main frame and terminals) will allow us to remedy the situation and operate on a much more efficient basis.

Question: Please explain the discrepancies and the source of funds used to purchase the equipment.

Answer: Acquisition of the computer system had been planned prior to FY '82 and due to higher than normal vacancy rates in personnel during the latter part of the fiscal year and other one-time cost saving measures, we were able to begin acquisition of the computer system in FY '82. In FY '83, the primary source of funds for the purchase of computer equipment resulted from our Standard Level Users Charge (SLUC) rate having been frozen during the period of time we were located at the Columbia Plaza Complex. We do not anticipate similar opportunities in FY '85 and, therefore, we have requested sufficient equipment funds to bring our computer system to its full potential.

Question: Last year's justification of the object class breakdown displayed fiscal year 1982 actual figures as including $246,000 for moving costs. This year's justification shows that same expenditure under the fiscal year 1983 actual costs. In which fiscal year were these funds actually spent?

Answer: The $246,000 of FY 82/FY 83 funds appropriated for the move to the Old Post Office were reported in the FY '84 Congressional Budget Justification under the appropriation and obligation columns for FY '82.

Reporting these funds as having been obligated in FY '82 was a technical error since they were, in fact, obligated during FY '83. The obligations reported in our FY '85 Congressional Budget Justification for FY '83 are actuals and tie directly to our Budget Execution Reports which are submitted to the U.S. Treasury. Please note that the $246,000 appropriation was not included in the Federally Appropriated funds summaries included in our FY '85 Congressional Budget Justification; refer to pages 12 and 13.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

Question: What grant programs, other than the Inter-Arts Program, do you operate to meet the needs of arts umbrella organizations such as the Oglebay Institute?

Answer: Multi-disciplinary arts organizations may compete for project or seasonal support from the Expansion Arts Program as well as Inter-Arts. Long-range, capital support for such items as Endowments and cash reserve is available to multi-disciplinary organizations of the highest quality through the Challenge Grant and Advancement Grant Programs.

Question: What is the average size of the Inter-Arts grant award?

Answer: $15,330.

Question: Considering the projected sharp growth in applications for this program, why have you reduced the amount requested for Inter-Arts grants by fifteen percent?

Answer: The principal Inter-Arts Program category in which applications are increasing is that of Presenting Organizations (172 in FY '83, 237 in FY '84, and 290 estimated for FY '85). Funding for this category has been reduced by less than 7%, versus an 11% proposed overall budget reduction. We have to a degree, thus, protected this category.

Funding for the other major cagegory in Inter-Arts supports Interdisciplinary Arts Projects, where applications increased particularly sharply between FY '83 and FY '84, has been increased by 22% between FY '83 and FY '85 ($820,000 to $1 million) at the same overall budget level, in order to respond to this increased demand.

The other categories in the Inter-Arts Program can be reasonably addressed at the proposed levels, since there are relatively few artists colonies and inter-disciplinary service organizations providing services of national or regional significance.

Question: When the Challenge Grant Program was initiated, the program was designed to provide support on a one-time basis to help institutions and communities to develop their own resources to support their on-going programs. Your guidelines state that these organizations should not become dependent on funding from the National Endowment for the Arts for their programs. Yet, in 1983, 25 of the 35 grantees were second-time recipients. When did this direction change and why?

Answer: A survey of Challenge grantees in the summer of 1982 uncovered the following:

a) Notwithstanding the state of the economy, new private contributions were there to be obtained by arts instutions;
b) Arts institutions continue to be undercapitalized financially--compared with other charitable organizations, such as higher education--threatening their artistic integrity and willingness to experiment;
c) Challenge grants continue to be seen by the Endowment's constituents as the most useful tool with which to build long-term institutional stability through leveraging new contributions.
d) Capital fundraising is not a one-time event but must--and does--occur with regularity, usually once every 5 to 10 years.

All of these factors led the Endowment and the National Council on the Arts to renew the commitment to Challenge, and allow all arts institutions of high artistic quality to compete, beginning in FY '83--6 years after the inception of the program. This decision was reflected and highlighted in our Budget Submission for FY '83, and discussed with Members of Congress.

It is important to note that any previous Challenge grantee must wait at least one year after the completion of the first grant before they are eligible to re-apply. In essence, an organization becomes eligible only once in five years, and it is usually longer than that before they actually receive an award. Please note as well that

Challenge Grants are aimed at long-term institution building, a goal which is opposite to creating dependency on NEA funding.

Question: Of the $21 million available to the NEA only 35 grant awards were made. Of the 35 Challenge Grant awards, not one grant was for less than $100,000. Are there limitations or minimums placed on the amount for which an applicant for a Challenge Grant may apply? If so, what are those limitations and why were they placed?

Answer: The minimum Challenge Grant award is $100,000. Organizations unable to raise the required 3:1 match in new contributions for a $100,000 grant are often advised to compete for an Advancement Grant, where the maximum grant package of consulting and grant funds is $100,000.

It was the experience of the Endowment during the first five years of Challenge, and the counsel of fundraising experts in the arts, that grants of less than $100,000 do not provide the degree of leverage needed to stimulate giving for capital campaigns, such as endowment fund drives.

Question: It would appear from the awards made in 1983, that the policy direction now being taken by the NEA effectively eliminates smaller communities and less populous regions of the country from competing successfully or in some cases from applying for grant assistance.

Answer: Important changes were made in FY 1983 in Challenge Grants and other programs, but none were aimed at eliminating organizations in small communities or rural areas, as long as they demonstrate artistic quality. There is no policy that precludes any organization from applying based on their location, and in fact the agency has undertaken several initiatives to make the arts more broadly available. Further, the last round of Challenge did not all go to institutions in major cities. The Hancher Auditorium in Iowa City, Iowa, serves rural areas; and Music of the Baroque in Chicago, Plaza de la Raza in Los Angeles, and Dance Theater Workshop in New York are all relatively small organizations.
In addition, it should be noted that we substantially increased our Advancement Program in 1983 -- from less than $1 million the year before to $2 million. The purpose of this program is to assist smaller organizations to develop their management and financial capacity.

FY '83 Advancement grantees included the Kentucky Opera Association in Louisville, the Rising Sun Media Arts Center in Santa Fe, the Graywolf Press in Port Townsend, Washington, the Anchorage Civic Opera in Alaska, and many others around the country.

A very important initiative launched in FY 1983 was the Test Program for Support of Local Arts Agencies which is making a series of test grants to arts councils and commissions in both large and small communities. During 1983 this program made 11 grants involving 46 local arts agencies serving 681 communities and is expected to involve over 3,239 arts organizations. The majority of the communities affected by these grants are in predominately rural areas and are in small and medium sized population centers. A list follows:

State	# of LAAs	# Arts Orgs.	# of Comm.	Pop. Range
ALABAMA	5			
Huntsville		83	17	200,000
Tuscaloosa		29	12	210,000
Montgomery		68	10	300,000
Birmingham		60	55	790,000
Mobile		54	50	443,000
		294	144	1,943,000
LOUISIANA	8			
Acadiana		69	18	244,122
Avoyelles		17	12	82,418
Baton Rouge		76	9	277,727
New Orleans		20	8	657,142
Calcasieu		35	4	90,055
N.E. Louisiana		23	11	129,229
Shreveport		19	6	285,207
Slidell		4	1	26,718
		263	69	1,792,618
NEBRASKA	5			
Kearney		6	12	21,158
Metro (Omaha)		60	7	388,945
Norfolk		8	122	19,449
Regional (Gordon)		0	9	7,507
W. Nebraska (Scottsbluff)		16	18	36,965
		90	168	474,024
OHIO	9			
Ashtabula		10	3	103,000
E. Cleveland		5	6	60,000
Fine Arts (Willoughby)		42	10	994,000
Lorain		85	13	92,000
N. Central		16	25	35,000
Toledo		50	28	500,000
Lima		25	20	47,000
Columbus		75	15	1,000,000
Xenia		5	?	24,653
		313	120	2,855,653
OREGON	9			
Beaverton		1	10	34,000
Corvallis		3	5	42,500
Albany		1	8	27,500
E. Regional AC		12	30	11,200
Lane Reg. AC (Eugene)		29	24	104,000
Metro (Portland)		175	7	386,000
Mid-Valley (Salem)		130	11	91,400
Monmouth		0	2	10,000
Oregon Coast		20	15	7,200
		371	110	? 713,800
WISCONSIN	5			
Fox Cities		41	4	150,000
La Crosse		9	6	100,000
Madison		13	*City-wide	178,000
Milwaukee		14	*City-wide	620,000
Wausau		7	2	100,000
		84	14?	1,148,000
Grand Totals	41	1,415	625	8,927,095

DIRECT

Denver	1	118	1	489,000
Durham	1	40	1	152,000
Fulton County	1	96	7	1,600,000
New York City	1	1,500	1	7,071,639
Westchester County	1	70	45	860,000
Totals	5	1,824	55	10,172,629

*Major Metropolitan Area

This program will hopefully help us reach the more underserved areas across the country. Many times state and local arts councils are in a better position than the Endowment's national review system to spot opportunities and needs in rural areas--also to help smaller, less established organizations to develop so as to be able to compete successfully in national competition. It is our hope and expectation that this Test Program will be successful and provide an increasingly important source of support for communities throughout the country, particularly in the less served areas.

SUBCOMMITTEE RECESS

Senator McClure. I very much appreciate your testimony this morning.

Mr. Hodsoll. Thank you very much, Mr. Chairman.

Senator McClure. Thank you; and for your willingness to come back to accommodate our schedule requirements. I appreciate that.

Mr. Hodsoll. I'm delighted for the opportunity to appear for you at any time.

Senator McClure. Thank you.

The subcommittee will stand in recess until March 6 at 3 p.m., at which time we will review the fiscal year 1985 budget estimates for the conservation programs of the Department of Energy.

[Whereupon, at 12:03 p.m., Thursday, March 1, the subcommittee was recessed, to reconvene at 3 p.m., March 6.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1985

TUESDAY, MARCH 6, 1984

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 3:05 p.m., in room SD-138, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senators McClure and Byrd.

DEPARTMENT OF ENERGY

STATEMENT OF PAT COLLINS, UNDER SECRETARY, DEPARTMENT OF ENERGY

ACCOMPANIED BY:

DONNA R. FITZPATRICK, PRINCIPAL DEPUTY ASSISTANT SECRETARY FOR CONSERVATION AND RENEWABLE ENERGY

ALAN STREB, ACTING DEPUTY ASSISTANT SECRETARY FOR CONSERVATION

RICHARD W. BRANCATO, DEPUTY DIRECTOR, OFFICE OF STATE AND LOCAL PROGRAMS

JOE FLYNN, DIRECTOR, WEATHERIZATION ASSISTANCE PROGRAM

FRANK STEWART, DIRECTOR, INSTITUTIONAL CONSERVATION PROGRAMS

PREPARED STATEMENT

Senator McCLURE. The committee will come to order.

This is the time scheduled to review the fiscal 1985 budget request for the Department of Energy's energy conservation and related programs.

For fiscal year 1985, DOE is requesting $382,077,000, a decrease of $49,124,000 from the fiscal year 1984 appropriated level. Part of your 1985 request includes providing some $238 million for schools and hospitals and weatherization assistance grants from a proposed Petroleum Overcharge Restitution Fund, the creation of which requires separate legislation.

Testifying on behalf of the Department this afternoon will be DOE Under Secretary Pat Collins. Mr. Collins, this is, of course, your first visit before this subcommittee, and I would like to personally welcome you here. Please introduce your associates who are at the table with you, and we will then proceed with the questioning.

I will place your prepared statement in the record in full at this point.

[The statement follows:]

STATEMENT OF PAT COLLINS

Mr. Chairman and Members of the Subcommittee, I appreciate this opportunity to appear before you today and provide information on the FY 1985 budget request concerning the Department's energy conservation and related programs. The budget for these programs was developed in concert with the Fourth National Energy Policy Plan (NEPP-IV), published in October 1983, and fully supports the goals and strategies set forth in that document. I will summarize those parts of the Plan which are relevant to the subject of today's hearing, and discuss related highlights of the FY 1985 budget request.

NATIONAL ENERGY POLICIES AND STRATEGIES

The overall goal of our national energy policy is to foster an adequate supply of energy at reasonable costs. The policy recognizes that "adequate supply" requires flexibility in the energy system, with no undue reliance on any single source of supply. The goal of "reasonable costs" suggests economic efficiency within the energy system, so that energy consumers, individual, commercial, and industrial users alike, are not penalized by economic rigidities introduced into the system by ill-advised governmental regulation. The strategies for achieving this energy policy goal are: (1) to minimize Federal control and involvement in energy markets while maintaining public health and safety and environmental quality; and (2) to promote a balanced and mixed energy resource system.

The FY 1985 budget request implements these strategies by supporting development of a mix of technologies that can contribute to both energy supply and improved end-use efficiency. Energy conservation, which we define as the elimination of waste and the careful and efficient use of resources, is a basic component of these strategies. We view it as an important energy resource. Indeed, the experience of the last 10 years has proven this to be the case. Between 1972 and 1982 the Nation's energy efficiency improved 20 percent. The resulting energy savings are equivalent to about 8 million barrels of oil per day--considerably more than the 4 to 5 million barrels per day which we now import. While energy conservation is motivated by energy prices and market forces, the Department of Energy plays an important and facilitating role. Our objective is increased productivity. This will require the development of new energy efficient technologies which will result in a constant, long term reduction in energy consumption. Federal funds are being concentrated where they are most effective, that is, in sponsoring research and development (R&D) in the areas where the potential payoff is high but which private industry cannot be expected to pursue alone.

FY 1985 BUDGET REQUEST FOR ENERGY CONSERVATION

The Administration's FY 1985 budget request for energy conservation and related programs totals $400.2 million. This amount includes $148.0 million requested for energy conservation R&D, and $252.2 million for state and local grant programs. The Administration's total request of $400.2 million is considerably more than the $74.0 million requested for these programs last year. This increase underscores the Administration's renewed commitment to energy conservation.

The $148.0 million requested in the DOE budget for energy conservation R&D is roughly equivalent to the FY 1984 Congressional appropriation. These funds will be used to continue ongoing R&D efforts and to initiate several activities including: new and expanded R&D efforts; increased emphasis on technology transfer; a fellowship program which will sponsor private researchers at the Department's national laboratories; and increased investment in capital equipment. The request also includes funds to carry out the conservation related activities and programs mandated by Congress including: the Residential Conservation Service and the Commercial and Apartment Conservation Service; the Appliance Standards Program; the Building Energy Conservation Standards and Guidelines Program (formerly the Building Energy Performance Standards); the Federal Energy Management Program; the Industrial Reporting Program; and preparation and publication of the Gas Mileage Guides.

Of the $252.2 million requested for state and local grant programs, 14.2 million is requested for program direction and $238.0 million is to be transferred from the proposed Petroleum Overcharge Restitution Fund to fund the grants themselves. The Administration has proposed to establish the Petroleum Overcharge Restitution Fund, which would provide a means to fund the Weatherization and Schools and Hospitals grant programs at the FY 1984 appropriation level, using sums collected by the Department of Energy from violations under the Emergency Petroleum Allocation Act of 1973, which cannot be refunded to injured persons. Under the proposed legislation, the Fund would be established in a manner that allows for any shortfall in overcharge collections to be made up from the general fund of the Treasury.
I would like now to address the funding requests for selected major programs.

BUILDINGS AND COMMUNITY SYSTEMS

The FY 1985 budget request for the Buildings and Community System program is $35.3 million. These funds will be used to conduct three major activities: (a) research and development into advanced technologies that will increase the energy efficiency of buildings; (b) information and technology transfer activities that will make the results of our R&D available to potential users, and (c) implementation of the building energy regulatory programs mandated by the Congress. These activities will encourage improved efficiency in the use of energy in the buildings sector, which accounts for approximately 36 percent of total national energy consumption.

Research and development activities consist of three subprograms: Building Systems, Technology and Consumer Products, and Community Systems. The objective of the Building Systems subprogram is to develop a technological base that will enable the private sector to construct more energy efficient buildings and to upgrade the energy efficiency of existing buildings. In FY 1985 $12.2 million is requested for this subprogram, with the funds supporting: research on building shells; ways to maintain acceptable air quality in energy efficient buildings; methods to predict and measure the energy performance of buildings; means to retrofit existing buildings to make them more energy efficient; energy efficiency measures and their interactions; and development of home energy rating systems. A portion of these funds will also support a restructured building energy performance standards effort--a Congressionally mandated regulatory program, which I will discuss separately.

The Technology and Consumer Products subprogram supports research that will increase the efficiency of energy related equipment used in buildings. The objective of this subprogram is to provide a technological base that will enable industry to develop and commercialize energy efficient equipment technologies. In FY 1985 $4.9 million is requested for this subprogram. These funds will be used for research into advanced technologies which support development of more efficient, thermally activated heat pumps and advanced energy efficient lighting concepts--technologies which promise a 30 to 50 percent increase in efficiency over existing equipment.

The Community Systems subprogram supports research leading to the development of community-wide energy delivery and management systems. An example of this technology is district heating. In FY 1985 $2.0 million is requested for this subprogram to be applied to the development of integrated community energy systems.

Three of the four Congressionally mandated regulatory programs, the Residential Conservation Service (RCS), Appliance Standards, and the Federal Energy Management Program (FEMP), relate to energy use in buildings and are implemented as individual subprograms of the Buildings and Community Systems program. The fourth, Energy Conservation Standards and Guidelines for New Buildings, is implemented as part of the Building Systems subprogram. In FY 1985 $1.3 million is requested for the Residential Conservation Service. These funds will be used to conduct the RCS and RCS Federal Standby programs and the Commercial and Apartment Conservation Service (CACS) and CACS Federal Standby programs. In FY 1985 $2.5 million is requested for the Appliance Standards Program. These funds will be used to develop and maintain test procedures in support of the Federal Trade Commission (FTC) labeling program, perform research in conjunction with the FTC to facilitate the use of energy efficiency and cost-of-operation data by consumers, continue the appliance standards rulemaking activities mandated by the legislation, and study the impacts of appliance standards.

The Federal Energy Management Program (FEMP) provides coordination, technical guidance, and assistance to Federal agencies regarding the Federal Government's in-house energy conservation efforts. In FY 1985 $2.3 million is requested for an expanded FEMP program. The Federal agencies have reported that their energy conservation efforts, partly stimulated through the FEMP program, have resulted in the $2.9 billion in energy cost avoidance since 1975.

The FY 1985 budget requests $1.1 million within the Building Systems subprogram for the development of Energy Conservation Standards and Guidelines for New Buildings. This is a restructured effort of the former Building Energy Performance Standards program. These funds will be used to develop and test guidelines and standards for manufactured and residential housing and commercial buildings. These guidelines will be voluntary for the private sector and mandatory for the Federal sector.

Information and technology transfer activities for the Building and Community Systems program are carried out under the Analysis and Technology Transfer subprogram. In FY 1985 $4.5 million is requested for this subprogram. These funds will support continuation of cooperative efforts with the International Energy Agency and will also be used to undertake two new technology transfer initiatives. The first initiative will establish an Energy Efficient Buildings Center, which will display new materials, technologies and equipment, and serve as a clearing house for R&D results as well as innovative technologies. The second initiative will establish a fellowship program that will support building energy studies by private sector researchers at the DOE national laboratories. Students and faculty members from historically black colleges and universities and state and local government employees will be specifically targeted for participation.

Finally, $2.5 million is requested for capital equipment in support of the Buildings and Community Systems program in FY 1985. These funds will be used for roof testing equipment at the Oak Ridge National Laboratory, for model building simulation equipment at a university or research laboratory to be selected later, and to replace outmoded test equipment at a number of DOE national laboratories.

INDUSTRY

The FY 1985 budget request for the Industrial programs is $33.3 million. These funds will be used to carry out work in four subprograms: Waste Energy Reduction, Industrial Process Efficiency, Industrial Cogeneration, and Implementation and Deployment. The goal of these activities is to encourage improved energy efficiency in industry, which accounts for approximately 37 percent of total U.S. energy consumption. The Department's activities in the industrial area consist of a comprehensive program of carefully targeted technological research and development, combined with technology transfer and other implementation efforts. The R&D activities focus on high risk ventures and most are carried out by private institutions operating under cost-shared or cooperative agreements with the Department.

The Waste Energy Reduction subprogram supports research and development on improved combustion efficiency through: oxygen enrichment, improved burner designs, and sophisticated combustion controls; development of industrial heat pumps, high temperature recuperators, and ceramic materials for heat exchangers; and research into waste materials utilization and CO_2 recovery and utilization. In FY 1985 $12.4 million is requested for this subprogram.

The Industrial Process Efficiency subprogram includes R&D for thin strip casting of steel, inert anode materials, advanced heat processing sensors and control systems, membrane separation systems, and gasification of wood derived process liquids for use as fuel. In FY 1985 $8.0 million is requested for this subprogram. This R&D effort is aimed at capturing as much as 500,000 barrels of oil per day of potential energy savings per year. The Cogeneration subprogram supports research into coal-fired Brayton cogeneration systems, cogeneration systems powered by diesel engines fired by coal and water slurries, and thermionic burner systems. In FY 1985 $3.2 million is requested in this area.

In addition to the R&D activities which will be funded by the FY 1985 request, there are a number of other R&D activities which are ongoing and supported by prior year funding. These projects include fluidized-bed waste heat recovery systems, utilization of waste materials, sensors and control systems, separation systems, and cogeneration component research, all of which have significant energy conservation potential.

The Implementation and Deployment subprogram continues support for the Energy Analysis and Diagnostic Centers at 10 universities, carries out the Congressionally mandated Industrial Energy Efficiency Reporting program and supports a number of new initiatives in technology transfer. These new initiatives include fellowships for private sector researchers at the national laboratories, and the establishment of a national information center for industrial energy conservation technology and R&D results. Altogether, $3.5 million is requested for this subprogram. Finally, the FY 1985 budget contains $4.4 million for new equipment and instrumentation to enhance research activities at the DOE national laboratories.

TRANSPORTATION

The FY 1985 budget request for the Transportation program is $51.0 million to continue R&D activities in five subprograms: Vehicle Propulsion R&D; Electric and Hybrid Vehicle R&D; Transportation Systems Utilization; Alternative Fuels Utilization; and Advanced Materials Development. These activities focus on the transportation sector, which consumes 9 million barrels of oil per day and accounts for approximately 27 percent of total national energy consumption and about 60 percent of total use of petroleum. The goal of the Transportation program is to provide the technology base necessary to support private sector efforts to improve energy efficiency in transportation and to develop new technologies which can serve as alternatives to those based exclusively on petroleum.

In FY 1985 $18.5 million is requested for the Vehicle Propulsion subprogram which supports research and development of high efficiency and advanced heat engine technologies. This area includes R&D on the automotive gas turbine and the adiabatic diesel, and carries out a number of technology transfer and technology assessment activities. The goals for both the gas turbine and the adiabatic diesel projects are to develop proof of concept engine designs which result in 30 to 40 percent improvement in energy efficiency over existing technologies, meet current standards for emissions, safety, and noise; as well as having the capability to use several different alternative fuels.

In FY 1985 $6.8 million is requested for the Electric and Hybrid Vehicle subprogram, which supports R&D activities necessary to advance the technologies of electric batteries and electric propulsion systems. These funds will be used to continue the development of experimental aqueous (lead-acid and nickle-iron) battery systems, flow (zinc-bromide) battery systems, and a number of integrated propulsion systems, including advanced powertrains.

The Transportation Systems Utilization subprogram is designed to encourage improved energy efficiency in transportation systems use. The FY 1985 budget requests $1.7 million to support publishing of the Gas Mileage Guide, conduct training in energy efficient driving techniques, and encourage ride sharing activities.

In FY 1985 $1.5 million is requested for the Alternative Fuels Utilization subprogram, which is designed to encourage the use of non-petroleum based fuels in transportation. These funds will be used to conduct systematic investigations into the fundamental behavior of alternative fuels in both spark ignition and diesel engines, and to develop and maintain data bases on the physical, chemical, and combustion properties of alcohol and other fuels derived from oil shale, coal, and biomass.

In FY 1985 $17.6 million is requested for the Advanced Materials Development subprogram. This area addresses the need to develop advanced materials and engine components that can withstand the high temperature and corrosive environments of high performance energy conversion systems for automotive applications. Of these funds, $7.0 million will be used to develop a technological base in ceramic and ceramic composites. This will be accomplished through research into the fundamental areas of ceramic materials processing, design methodology, materials characteristics and performance under stress, and useful life prediction. The remaining $10.6 million will be used to complete construction of the High Temperature Materials Laboratory at Oak Ridge, Tennessee. Finally, $3.0 million is requested for capital equipment in support of both the Advanced Materials Development and the Electric and Hybrid Vehicle subprograms.

MULTISECTOR

The Multisector Program includes the Energy Conversion and Utilization Technologies (ECUT) program, the Energy Related Inventions program, and the National Appropriate Technology Assistance Service. The FY 1985 budget request for Multisector includes $21.5 million for ECUT and $5.0 million for the Energy Related Inventions program.

The Energy Conversion and Utilization Technologies research programs are oriented toward basic research and crosscutting R&D problems common to more than one energy consuming sector. They also provide predictive models and design tools useful to the private sector in achieving greater energy productivity. The requested funding will be used to conduct research in four subprogram areas: Combustion and Thermal Sciences, Materials Sciences, Biocatalysis, and Tribology.

In FY 1985 $5.8 million is requested for Combustion and Thermal Sciences Subprogram. Combustion research provides analytical and measuring techniques needed to understand the thermochemical and related processes that take place in the combustion of fuels and in the conversion of the released thermal energy to work. The results of this research are used to develop efficient, clean, and reliable combustion systems and devices. Thermal Sciences research develops improved thermodynamic analytical capabilities and experimentally validated computerized data bases. These are needed to provide the technological base used to improve heat transfer coefficients, reduce heat transfer surface area requirements, and minimize vibration induced by fluid flow through heat exchangers. In FY 1985, a study of fluidized-bed heat transfer phenomena will be completed. Research will continue to develop advanced analysis techniques and to generate a technological data base for the physical sciences of thermodynamics and heat and mass transfer.

The $6.0 million requested for Materials Sciences research will be used to investigate high-temperature materials, lightweight materials, and corrosion resistant materials. Certain materials such as Long-Range Ordered (LRO) Alloys and Intermetallic Compounds, both of which have highly ordered atomic structures, have great potential for improving the efficiency and performance of high temperature processes, but have not yet been utilized because of their characteristic brittleness. Also, research on high-temperature materials in other areas will be expanded in FY 1985. The $2.0 million requested for Biocatalysis research will be used to establish a technological data base for the development of new techniques to manufacture industrial and commercial chemicals using biological systems analogous to conventional processes in chemical engineering. The $3.0 million requested for the Tribology subprogram will be used for research on lubricants, friction and wear to ceramics, coatings on machine tools that reduce heat and last longer, and refinement and quantification of friction energy losses in the U.S. economy.

Other ECUT funding requested in the proposed FY 1985 budget will: provide seed money for innovative or revolutionary concepts for alternative fuel use and improved energy efficiency in energy conversion, storage, and end-use; be used for program direction; provide capital equipment to replace currently outmoded equipment at DOE national laboratories; and support a number of technology transfer initiatives.

The FY 1985 budget requests $5.0 million for the Energy Related Inventions program. This program was established to evaluate the technical merits of energy related inventions submitted to DOE and to provide technical assistance and grants to further develop promising inventions. The National Bureau of Standards (NBS) conducts evaluations through its Office of Energy Related Inventions. Promising inventions identified by NBS are directed to DOE for further assistance to investigate sources of private sector funding or for direct support where private sector support is not available. By 1983 approximately 20,000 energy saving inventions had been evaluated by NBS. Based on NBS recommendations, 164 inventions were awarded grants totalling $12.8 million. Of these, 35 have entered the marketplace generating sales of $178 million and creating more than 700 direct jobs. In FY 1985 the funds for this subprogram will be used to evaluate approximately 2600 new proposals with an estimated 50 to 75 private sector inventions being approved for further development.

The Department is not requesting funding for the National Appropriate Tehnology Assistance Service in FY 1985 because the $2.0 million appropriated in FY 1983 and FY 1984 is sufficient to maintain continuity of this program through FY 1985.

STATE AND LOCAL PROGRAMS

The Administration's FY 1985 request for State and Local programs is $252.2 million to continue the Low Income Weatherization Assistance and the Schools and Hospitals Grant programs, including $14.2 million for program direction. These two grant programs would be financed through transfer from the Petroleum Overcharge Restitution Fund, to be established in the Department of Health and Human Services under separate legislation.

The Weatherization Assistance Program provides for the installation of energy conserving measures such as caulking, weatherstripping, attic insulation, and storm windows to reduce heat loss and conserve energy in the homes of low-income people. Particular emphasis is given to the low-income elderly and handicapped. DOE has provided grants to 50 States, the District of Columbia, and 26 Native American tribal organizations. DOE's Weatherization Assistance Program awarded its first grant in August 1977. As of December 1983, more than 1,100,000 homes were weatherized under the DOE program. In FY 1985, $190 million is requested to maintain the FY 1984 level of effort and permit the weatherization of an additional 185,000 homes. The program will include initiatives to improve program delivery in urban areas, develop alternative financing proposals, and improve energy audit and savings measurement processes.

The Schools and Hospitals program is designed to address the energy conservation needs of schools and hospitals by providing 50 percent matching grants to conduct technical assistance analyses and to acquire and install energy conserving equipment. Through FY 1984, the program awarded 13,365 grants for energy conservation projects in 36,931 schools and hospitals. A national evaluation of the program indicated that the energy savings accumulating from these activities is now approximately 40 trillion BTU's per year. The FY 1985 budget request includes $48 million to maintain the FY 1984 appropriation level for grants for technical assistance and energy conservation measures in over 3,000 schools and hospitals. Efforts will also continue to provide public sector institutions with information needed to utilize financing arrangements whereby energy service firms or other outside investors provide capital to make energy conservation improvements in their buildings.

No funding is requested in FY 1985 for the Energy Extension Service or the State Energy Conservation program. The Administration feels that Federal funds are more properly applied directly to energy improvement in people's homes and institutional buildings, helping those least able to respond to the change in the energy market. It is believed that the States should assume responsibility for the cost of energy extension activities. The Department's proposed budget for R&D programs places a high priority on the transfer of results of Federal R&D efforts to appropriate technology agents, including State and Local governments.

CONCLUSION

In conclusion, the budget submitted for fiscal year 1985 represents a balanced and objective approach towards the development of new energy efficient technologies. It is consistent with the goals and objectives of the Fourth National Energy Policy Plan (NEPP-IV), and is limited to those activities which are most appropriate for the Federal government. The Administration asks, therefore, that this budget be given every consideration for funding at the levels requested.

Thank you for the opportunity to testify today.

INTRODUCTION OF ASSOCIATES

Mr. COLLINS. I appreciate it very much, Mr. Chairman. I would like to introduce my colleagues.

On my right is Mr. Brancato, the Deputy Director of the State and Local Programs Office; Donna Fitzpatrick, Principal Deputy Assistant Secretary for Conservation and Renewables; Al Streb, Acting Deputy Assistant Secretary for Conservation; Frank Stewart, who is the head of our Schools and Hospitals Program; and Joe Flynn, who is the head of our Weatherization Program.

Senator MCCLURE. Thank you very much.

At the outset, I think it is important to note that despite the fact that the fiscal year 1983 budget request—excuse me—the 1985 budget request is less than the 1984 appropriation for conservation, it is an increase of $307,700,000 over the administration's fiscal year 1984 request of $74,377,000.

Mr. Collins, many, including myself, will question some of the specific areas you are proposing to make use of some of these 1985 funds. Still others may desire a total budget much in excess of what you have requested. Yet everyone I have spoken with is sincerely thankful of your efforts and those of Secretary Hodel in achieving this 413.6-percent increase over the 1984 request.

Indeed, you and your staff are to be congratulated for your hard work and your perseverance in developing and securing the budget request, which is unquestionably more in line with the consistently stated position of the Congress. I note that because this is one of the items that has led the President to submit a budget which many criticize as having a large imbalance, a large deficit, and yet it is one in which the Congress has consistently insisted upon its position.

I think it's a constructive move, not a destructive move, in my judgment, and it will help us refine those programs much more than if the administration didn't participate so directly in that process.

BUILDINGS AND COMMUNITY SYSTEMS

But let me turn now to buildings and community systems. You have proposed a fiscal year 1985 budget of $35,314,000, a 6-percent decrease from the 1984 appropriated level of $37,408,000.

Research has indicated that in 1983 the energy bill for all buildings in the United States was approximately $150 billion. This corresponds to about $1 per square foot for combined residential and commercial floor space.

According to the 1981 SERI Solar/Conservation Study, as well as other similar reports, it is technically possible to cut this cost per square foot in half. While this year's budget request is indeed a vast improvement over the past, many researchers indicate that even at the proposed $35 million R&D level we could be delaying achievement of this goal from as early as the year 2000 to the year 2020 and beyond.

Do you believe it is technically possible to achieve a 50-percent reduction in the energy cost per square foot of building space?

Mr. COLLINS. Mr. Chairman, I think that is a figure which is certainly in the ballpark.

Senator McCLURE. Can this be done by the year 2000 or thereabouts?

TECHNOLOGY TRANSFER

Mr. COLLINS. I think so, but Mr. Chairman—if I may elaborate on it just a bit—a very integral part of this is the technology transfer at this point in time. We have spent a great deal of money, and have come up with some excellent results on what we can do in a technical sense. Now what we have to do is convince both the small business community and the ultimate customers of these potential technologies:

No. 1, that they are available, No. 2, that they are cost effective for their businesses; and No. 3, that their stockholders or corporate board should be utilizing the technology, and that it is here and it is available. A good part of our interest in this is in the technology transfer initiatives that we have along these lines, which in some cases go to the business community and in some cases will even have to go to the ultimate consumer.

Senator McCLURE. Does your answer imply that you believe that all the R&D has been done?

Mr. COLLINS. No; it doesn't, Mr. Chairman, but I think we have a substantial body of R&D that has not gotten out to the first level of consumers and maybe even the ultimate consumer.

And I think that, like everything else with budgets, Mr. Chairman, we have stacked our priorities and we are pursuing the most cost-effective measures in research that we are pursuing.

Senator McCLURE. You know, that is one of the things that I have learned over the last several years. This phrase technology transfer—isn't that still a major problem?

Mr. COLLINS. It is an extremely difficult problem, and I realized that when I worked with the building industry for 4 years, and I have worked in every State of the Union.

For example, Mr. Chairman, the inside estimate in the building industry is that only 3 percent of the builders know how to do active solar and the more advanced conservation techniques.

Interestingly enough, some of the most successful builders during the recession are those that employ these new conservation techniques, and even the renewable energy techniques.

The problem we find there in the type of society that we have is that we are not going to, of course, direct the builders in what they have to build. They are building for their customers, and their customers are not aware of what we have done in the Government over the last decade, and also they are not asking their builders for this kind of conservation, the kind of conservation that we have performed technically in the laboratories.

Senator McClure. I want to return to the point you make a little later, but I would like to follow at this point the question about when can we get there.

Technology transfer is one of the issues. The application in the marketplace is another issue. With the performance of the R&D, there is technology to worry about transferring, and the time that it takes all of this to get it accomplished.

As I have stated, there are those who have stated that we can get there by the year 2000 and others that say that the way we are going about it will delay that at least 20 years.

In your judgment, would enhancement of the dollars provided for R&D performed under the BCS programs make it possible to achieve this goal earlier than the year 2020?

Mr. Collins. Oh, yes, Mr. Chairman. However, I would like to say that under the budget that we do have, it is the opinion of our professional staff, as evidenced in our long-range plans, that we could make it by the year 2000, but we certainly——

Senator McClure. Even under the budget that you have proposed we will make it by the year 2000?

Mr. Collins. Yes.

Senator McClure. You say we will or we could?

Mr. Collins. We should. [Laughter.]

Senator McClure. You are a fast learner. [Laughter.]

Well, there are those who say we won't make it and who suggest that we need more money, and you are suggesting that we can do it with this amount of money. I guess that sets the terms of the debate.

Mr. Collins. Yes, sir.

INDOOR AIR QUALITY

Senator McClure. Under building systems, you have requested $1,425,000 for continued work on indoor air quality. In light of the fact that many private and Government researchers report that indoor air quality poses more health hazards and is, therefore, more important for public health than outdoor air quality, how can DOE justify spending just $1,425,000 for IAQ when EPA has proposed a budget of $328 million for outdoor air quality work?

Mr. Collins. Well, Mr. Chairman, I appreciate the opportunity to comment on that.

We think that when we combine it with the work that is being done by EPA, that is an appropriate figure for the basic and applied research.

Certainly, there is a great concern about it, and I have been aware of it, and I have been through what are the most advanced systems that they have in Europe. That is one of the things I first did when I came to the Department, and we think that this figure, coupled with the work of EPA, will be satisfactory at this stage of our work.

Senator McClure. Let me ask this question. Should DOE be the lead agency in indoor air quality research, or should that honor fall to EPA?

Mr. Collins. I think that we can learn a great deal from them because of the amount of money that they have spent overall. However, in this particular area, we have done the most work, and I think—in general, that we should work cooperatively on everything, but possibly we have a bit more expertise.

Senator McClure. Am I correct that EPA has budgeted no funds for this work?

Mr. Collins. They do have the lead by virtue of the 1983 appropriation, that is correct, Mr. Chairman.

Senator McClure. Have they earmarked money or requested an appropriation for indoor air quality work?

Mr. Collins. Per se, I don't know. I would like to supply that for the record if I could, Mr. Chairman.

EPA'S REQUEST REFUSED

Senator McClure. Apparently, OMB has refused EPA's request for some $2 million for this work during 1985. I wonder if you could, while you are researching the other questions, find out if you could—and if you are permitted to tell us if you find out—why OMB did that. If, indeed, that is centered in EPA or if, indeed, you should cooperate with them, there has to be something over there with which you can cooperate.

Mr. Collins. Yes, Mr. Chairman.

[The information follows:]

Indoor Air Quality

The Environmental Protection Agency has the lead responsibility for Federal research in the public health aspects of indoor air quality research. The Department of Energy coordinates Federal research in the area of interactions between building structures, equipment, furnishings, and indoor air quality. This activity derives from DOE's encouraging builders and homeowners to adopt energy conservation measures which can impact the quality of indoor air.

RESEARCH IN INFILTRATION

Senator McClure. In your judgment, Mr. Secretary, how important is infiltration R&D as compared to other building systems research?

Mr. Collins. Well, we are trying to stack the priorities, and this, Mr. Chairman, is extremely difficult, but I think it is a top priority.

Senator McClure. It has been reported that the continued research in infiltration could result in the development of homes with as much as one-quarter air change per hour reduction from the current standard of one-half to three-quarter air changes per hour. This one-quarter reduction corresponds to approximately 100 therms of gas per house per year or some eight-tenths quads for 80 million homes, worth about $5 billion annually.

What has DOE requested for infiltration R&D work for fiscal year 1985?

Mr. Collins. Mr. Chairman, I would like to defer to one of my colleagues if I may.

Mr. Chairman, I am informed that there is approximately $500,000 in this year's budget.

Senator McClure. Do you agree with the potential savings on the order of $5 billion per year?

If you agree on that figure—and I see you nodding your head—doesn't it justify more research in that than $500,000?

Mr. Collins. This is certainly a very important area, Mr. Chairman, and of course, there are alot of good things that could be done, and some of the activities that we are doing could be enhanced. But as you know, many of these are driven by an overall figure and other considerations.

Senator McClure. For fiscal year 1985, you have proposed no funding for building systems interactions, even though this research shows architects, engineers, and home builders the most effective ways to incorporate new technologies and materials in whole building systems. It would seem this type of whole building research is absolutely necessary before proven technology transfer can occur.

Wouldn't you agree that it would be better to do it on the whole building basis than fragmented technology?

Mr. Collins. Well, I think, Mr. Chairman, that certainly there are some people in industry that have suggested that and, in addition, these are all areas which we would like to pursue.

But that specific point, that is embedded within our DOE-2 Computer Analysis Program, the work that I think you are alluding to in that question.

Senator McClure. But a moment ago we were talking about technology transfers as a major inhibitor. It seems to me that you are saying we have basic R&D, which is way ahead of applications. You would like to do more in R&D, but the real bottleneck is in applications, that is, in technology transfers, and here we are talking about a technology transfer system in the whole building systems. Yet, you have got zero in the budget.

Mr. Collins. Well, it is not a separate line item. It is embedded, Mr. Chairman, in the computerized program entitled, I believe, DOE-2 in your budget.

Senator McClure. Your answer is in part, then, that you are doing something even though it is a separate line item?

Mr. COLLINS. Yes, sir.

Senator MCCLURE. I have an amazing confession from my staff, or an indictment. They say they can't find it. Would you help us find it?

Mr. COLLINS. Yes; we will provide that for the record.

[The information follows:]

BUILDING SYSTEMS INTERACTIONS

Building systems interactions research is supported by the Performance Calculations Program by providing the private sector with the analysis tools necessary to conduct the interactions research. With these tools, the private sector is capable of executing systems interaction research without Federal funding support. This can be accomplished by private sector designers using the DOE-2 Computer Program to model a building. These designers could run the computer program a number of times, changing variables in the building and seeing the resulting impact on energy consumption. In this way they would find the best combination of systems to use in the building.

DOE-2 COMPUTER PROGRAM

Senator MCCLURE. I don't know which it is, your artfulness in hiding it or his inartfulness in discovering it, or maybe just an omission.

Mr. COLLINS. Mr. Chairman, I can provide this for the record, but you will find the difference in DOE-2, as we call it, is the difference on the $500,000 to $1,250,000 from fiscal year 1984 to our fiscal 1985 budget, so about $750,000 in that.

Senator MCCLURE. Now, I know your book is fatter than ours and you have got more detail than ours, and you talk about DOE-2. We only have DOE. We don't have DOE-1 or subset A or subset B. All we have is DOE-1, and I refer you to page 41 of your justification.

And on page 41, the lower half of that page, says: "Building systems interactions, no activity planned."

Mr. COLLINS. I think that, Mr. Chairman, probably we should have referred to page 38 instead, the performance calculations activity, and the bottom two columns there, and that would have made that much clearer.

Senator MCCLURE. In other words, no activity, that reference on page 41, should have referred to page 38, instead of saying no activity, it should have said activity planned, flip page. [Laughter.]

Mr. COLLINS. Yes, sir.

Senator MCCLURE. OK.

I wonder if you can give me a little bit more about how much is really involved in the Computer Program, if you could expand that for the record, please.

Mr. COLLINS. Yes, sir, I would be glad to.

Senator MCCLURE. Can industry truly be expected to pick up the entire cost of this building systems interaction research? Are they really going to do that?

Mr. COLLINS. I would like to, Mr. Chairman, if I could, for that question, to let Acting Deputy Assistant Secretary, Al Streb, talk about that.

Mr. Streb. Mr. Chairman, our position basically is that we feel that we should develop the tools for industry, for the architects, for the engineers, for the building industry itself, to do the parametric analysis of overall building systems that will enable optimum design.

The emphasis on the DOE-2 Computer Program in the 1985 budget reflects that. Basically, what we are doing in DOE-2 is a program that has been around for a while. It has been continuously improved, and in this upcoming effort we are going to introduce certain features which are going to make it a much more accurate and usable tool and also provide the necessary transfer aspect, if you will, in order to put that into the hands of the designers who can then use it to do the whole building systems or the systems analysis work, whatever term you would like to use.

Also, I would like to point out that the buildings guidelines that we are going with, which is the output of the old BEPS Program, encompasses a great deal of interactive consideration. So there is work that is being done there, too.

What we have done is to restructure the program in a way in which we are giving the industry the tools to do the job themselves, and I do think that they can do it.

CONDITION OF BUILDING INDUSTRY

Senator McCLURE. Well, I think it is theoretically possible that they can do it over a period of time. I think the homebuilders of this country have been innovative, and certainly they have gone through a period of very tough times recently. They had almost no tools with which to work, and they had no building to do, let alone any available capital to devote to that kind of thing.

I am very much concerned that if we leave it to them to do, even if we provide tools which are available to them, that they are not at this juncture capable of picking that up and running with it. Not because of any lack of desire on their part but just lack of technological capacity.

When they are just reeling and many of them fighting for survival and many of them just recovering, it is not a time when you would expect them to invest a lot of money in something new. They don't have any extra money.

Second, and rather an associated problem we have had over a long period of time, even those builders who do reach out and try to apply a new technology, if it has an up-front cost to it, they simply can't market it in the marketplace that doesn't understand the value.

We have been trying for a number of years to get appraisal practices of the Federal Housing Administration, Farm Home Administration, and the Veterans' Administration to merge into their appraisal a recognition of capital cost contribution to energy efficiency. We haven't even accomplished that from the Federal end, let alone merge new technology.

Mr. COLLINS. Mr. Chairman, if I may respond just briefly to a couple of points.

No. 1, we are very pleased on the latter points that you have made; for example, some of the progress that we have been able to make in this country, whereas, in Sweden, about 99 percent of the loans are government loans and you can, in essence, flip over the mortgage and take credit for these conservation devices.

I don't think that anyone that is in a position of political leadership that I know of would advocate that kind of a system here, but we have—through jawboning and meeting with Fannie Mae and Freddie Mac, they have now started down that track. We are now meeting with Ginnie Mae, and we are hoping that they will, too. And of course, with Fannie Mae, you are talking about the secondary market for about 41, 42 percent of the mortgages.

Yes; so that is one thing, and the other thing is that a great deal of the research that was done in the mid-1970's to late 1970's, and even subsequently, was not taken advantage of. Because the industries, as you mentioned, were down—and particularly in your part of the country, where they were down the furthest because of the problems in the forest products industry—have not had the time, because they were so busy minding the store, to take advantage of this research. That is why we can increase the budget 500 percent in that area, to both go to that, generally, small business person, and to their ultimate consumer, and educate them of what is available in this area.

And as you know, the architects and the builders, as well as the gas supply people, have their own research units, and we have had some difficulties, you are well aware, too, of their perceiving that the end product of the Department and other departments in Government didn't match their needs.

And so, we have quite a bit of outreach to them to include them in the plans for some of these new buildings that maybe we will have, new research projects.

Senator McClure. I want to aid in that. I don't want to pass over the possibilities that were involved there, and I don't want to be just a blind critic of what you are doing. I want us to really make some accomplishment in that area because I think there is a great potential which we haven't begun to tap.

COST SHARING

I have wondered in this area of R&D, on building systems interaction in particular, whether or not we could benefit from some cost-sharing proposals, for a couple of reasons.

One is to have more money focused there, and also if their money is involved they have got the technology. You don't have to just make it available to them. They have participated in getting it, and it is automatically then fit into the other end.

If Government does it and, in effect, puts it on the shelf and says, we have got it on the shelf, you can come and get it off the shelf, there is a disconnect. That is overcome by a cost-sharing program, if you can devise a cost-sharing program with people in the industry.

I would say, too, that I am very much concerned at the architect/engineer level. It is easier to do, particularly with respect to the industrial and large-scale applications than it is in the typical small detached, single family dwelling where you have a great number of small business entrepreneurs but no central organization and no large financial incentive.

The only thing that will really change it out there in the homebuilders market is some builders who apply some new systems, who get a competitive advantage in the marketplace. If they can keep on turning out a lower cost house and getting the sales against somebody who builds a better one that costs more, the incentives are all on the wrong end.

An educated consumer is certainly, ultimately, the answer to that question, but that is an awfully slow process.

Mr. COLLINS. It certainly is, Mr. Chairman. It's starting from scratch. It's very difficult.

I would like to make a couple of points, if I may. No. 1, is that we're looking to cost share every single item in this fiscal year 1985 budget; and not only is it good because it costs less, but it's good because, as you say, you have the involvement of the end user and you're not doing research for its own sake but with the end user in mind.

Second, I think our Awards Program will help to some degree on this. We know companies that have saved 30 percent by holding their managers feet to the fire a little bit and then giving them awards and recognition. We even know one of those companies that has gone 20 percent beyond the goal of 30 percent.

As you know, Secretary Hodel and I are trying to do that through the 656 committee as well. We think that this Awards Program will highlight some of these good projects to the shareholders, and they will be asking their corporate officers why they're not doing it; and, hopefully, to the community at large and they'll ask their builders, "is this not available for me?"

Senator MCCLURE. I——

Mr. COLLINS. It's a tough thing. It's something that we're definitely going to have to work on down the road. We may have to change.

Senator MCCLURE. Could you provide some ideas of some cost-sharing proposals that we might be able to integrate into the appropriation? Can you identify them and present them to us?

Mr. COLLINS. Be pleased, Mr. Chairman.

[The information follows:]

COST SHARING IN RESEARCH AND DEVELOPMENT PROGRAMS

It is the policy of the Office of Conservation to encourage substantial cost sharing in all of our research and development programs. Some examples of projects that have been cost shared include:

Project	DOE	Industry	Total
Development of advanced absorption cycle heat pump	$245	$134	$379
Slow speed diesel cogeneration system	12,000	17,000	29,000
High back pressure steam turbine cogeneration system	1,400	5,700	7,100
Combustion research	3,500	980	4,480
Development of lubricant formulators	285	180	468

We will continue to require substantial cost sharing wherever appropriate, in order to allow us to make the maximum use of available Federal dollars. We have not established percentage goals, however, because appropriate levels of cost sharing vary from project to project.

EVALUATION OF OTHER'S PROGRAMS

Senator McClure. There was one other point I was going to make. Do you have the capability to provide a technical analysis of other people's programs or suggestions so that we could get independent advice concerning the feasibility of proposals that are made by others?

Mr. Collins. Yes, Mr. Chairman. We'd be glad to do that if the proposals are provided to us.

Senator McClure. Second, about an analysis of energy saving techniques or devices that are on the market, do you have any concerted organized program regarding that kind of a program evaluation?

Mr. Collins. Inasmuch as when we got involved in this system initially and we were doing the new research that we are doing and that's incurred in the budget, in some of the buildings we have involved the building community and the architects and others from the start, but that is more of a sharing than an analysis per se.

Do you want to add anything to that, Al?

Mr. Streb. The Building Energy Research Office, as proposed this year, will be looking at the energy efficiency and the potential advantage of various benefits for both individual multifamily and commercial buildings.

Mr. Collins. Mr. Chairman, if I could.

Senator McClure. Yes.

Mr. Collins. You might note that we have a strong thrust in the area of energy. It's on a small scale, but on the area of Energy Research Inventions Program.

We've got over $5 million for that and, we have some wonderful success stories that have come out of that program, and that is a technical analysis for the most part.

URBAN CONSORTIUM

Senator McClure. For the past few years, the Congress has annually appropriated some $2 million for the Urban Consortium Program. The energy task force of the Urban Consortium made up of the 28 most populace cities works to enhance local governments' energy management capabilities and solve a variety of energy-related problems.

In general, would you say the Urban Consortium has had good results in implementing energy conservation programs and in improving the energy management capabilities of the 28 cities involved?

Mr. COLLINS. Well, Mr. Chairman, I think they have made some innovative contributions, but as far as their success in transferring those, I'm not absolutely certain. This is a program, quite frankly, that we have chosen to leave out of our budget and to include with, along with everything else along this line that was specifically identified, in our Overall Technology Transfer Program.

We think the Overall Technology Transfer Program will go beyond 28 cities or 10 counties, as it is now, and will be more generic and more effective and more manageable, from our standpoint.

Senator McCLURE. Have you performed any study to determine the success or failure of that Urban Corsortium program? Do you have anything in your organization that indicates an energy saving as a direct result of the program?

Mr. COLLINS. We do, Mr. Chairman. In my case, I have met with three of the mayors involved. I've also met once or twice with the working group of that board and once with the energy committee of the Urban Consortium.

I have seen the progress technologically. I just haven't been totally convinced of the transferability of it.

Senator McCLURE. Is there evidence that a reduction in energy usage would not have occurred in this program had this program not been in place?

Mr. COLLINS. In the individual cities that got the grant, that may be the case, Mr. Chairman. But I don't think that I can specifically say that that was transferred to any other points and that they were able to benefit.

TECHNOLOGY AND CONSUMER PRODUCTS

Senator McCLURE. Moving to technology and consumer products, you have proposed no funds for continued research on refrigeration systems or on combustion heating equipment. In both areas you indicate that previous research results will be transferred to industry.

Does that mean that no other DOE-sponsored research is necessary or desirable?

Mr. COLLINS. Well, I wouldn't say no other, Mr. Chairman. I would say that we think we have covered the highest priority items in this area in the basic and applied research and proof of concept; and, in that prioritization, it did not come within the amount of funds.

Senator McCLURE. Is there any indication that industry is either prepared to or able to assume over $5 million in additional research costs?

Mr. COLLINS. Mr. Chairman, I'd like to refer that to Acting Deputy Assistant Secretary, Al Streb.

Mr. STREB. We very honestly haven't made an analysis with respect to what industry is prepared to do. Our assessment in this particular instance is based on the remaining potential that we see relative to the cost.

Quite honestly, we felt that the moneys available would be better applied to technologies in which there's a great deal more development that remains and which have a great deal more potential. For that reason, you see a substantial application of increased funds in the area of advanced heat pumps, thermally activated heat pumps, and advanced lighting.

We feel that's where the Federal money is best spent.

Senator McClure. Then in that area, again, as we've been covering in others, you think most of the basic R&D that's been done is simply a matter of basic technology transfer and application?

Mr. Streb. I feel that the basic technology is there; that we know a great deal about improved insulation, for example for refrigeration systems; we know a lot about the basic technology of combustion, at least as it applies immediately to building and systems application; and that it should be up to the manufacturers to apply that technology.

I would point out that we continue a program in combustion science under the ECUT Program which does provide basic information on new combustion techniques, as well as a heat transfer technology data base.

Senator McClure. I'm concerned because I'm not sure that we've gotten that far. I hear what you're saying, but I also hear the people saying different things about it and certainly in priority expenditure you have to make some hard choices. I understand that, too.

Many feel it is more prudent and, indeed, more cost effective to conduct research which addresses peak power savings rather than absolute numbers of therms or Btu's or kilowatts; in other words, shave the powerplant requirement. In the United States this appears to be primarily a cooling program as about 40 percent of all U.S. power is devoted to air-conditioning during the warmer summer months.

Because air-conditioning is largely based on a variety of refrigeration methods, it seems reasonable to assume that this country can achieve significant savings from even marginal improvements in cooling efficiency.

Do you agree that cooling efficiency remains one of our bigger problems? And, if so, why are you proposing no funds for the program?

Mr. Collins. Well, Mr. Chairman, certainly that is an area that has not received the attention that heating has and would be an area where progress certainly can be made. There's some work being done in our building control systems in general in that area, but there is not a great deal of it being done and it was not put at a high priority.

Senator McClure. One thing strikes me as the Sun Belt grows. We're running into a tremendous population shift in the Sun Belt where air-conditioning loads become a significant part of the peaking requirements for the power systems in those areas.

We have done very, very little in terms of solar absorption systems. It seems like a natural, and yet, I can't see anybody that's done very much there, including DOE.

Mr. Collins. Well, I just would say, Mr. Chairman, that when you get into that broad an area certainly we've done a significant amount of work and plan to continue to in glazing and, of course, in windows. This has been extremely significant.

We have new materials. We're doing new research this year, in 1984 and proposed for 1985, along this line where we're able to realize some progress. I think that we've done little in the heat pump line, but generally with a population shift like this, this may be an area where we need to address more attention due to the amount of potential power that can be used there.

Certainly some of that is included in the solar activities.

Senator McCLURE. Well, it seems there's a very direct relationship between the energy consumption and the availability of energy in those areas—an area that we have scarcely touched—and it seems like we haven't even discussed that question very directly.

ANALYSIS AND TECHNOLOGY TRANSFER

For analysis and technology transfer, you have proposed two new efforts: The Energy Efficient Building Center at a cost of $1,510,000; and a Fellowship Program at a cost of $2 million. Because you've also proposed the Fellowship Program in other areas of this year's energy conservation budget, this request will be discussed at a later point.

With regard to the Energy Efficient Building Center, I am frankly more than a little perplexed on how you can justify this. On one hand, you've not requested even last year's level of $1.5 million for research on whole building system interactions. Yet, you are prepared to spend slightly more than that amount—$1,510,000—on an Energy Efficiency Building Center.

Why is one necessary, but the other not?

Mr. COLLINS. Mr. Chairman, the new proposed center is an integral part of our technology transfer efforts, and that is why we have included it in the 1985 budget proposal before this committee.

Senator McCLURE. Is the building center to be used to conduct research, or would it be just as a display case for new technologies and materials?

Mr. COLLINS. Mainly the latter, Mr. Chairman, and also, hopefully, we can use this in conjunction with the Fellowship Program to be able to provide training for those within the industry. Our personnel have already been working extensively with builders and architects about what they think should be included in this type of a center.

Senator McCLURE. You have indicated that it would also be used as a clearinghouse to obtain and disseminate research in field performance results to U.S. builders and designers. Isn't this already being done?

Mr. COLLINS. Well, Mr. Chairman, in all candor it is not being done in any coordinated and extensive degree. There are some relatively small activities that have been funded.

But I can tell you from firsthand experience that doesn't exactly provide all the answers.

Senator McCLURE. Again, the area of technology transfer puzzles and perplexes and fascinates me because you've indicated we have a lot more R&D done than people know how to utilize. We have a lot more basic research completed than has been transferred to the people who will apply it. We know a lot more than fabricators, mechanics, designers, architects, and engineers apply.

One of the responses is to build a buildling that everybody can come and look at. It's a large country. Not everybody can come and look at it.

Aren't there other ways in which we can transfer technology to a larger group of people than building a center which they can observe?

Mr. COLLINS. In that concept, Mr. Chairman, we're not talking about necessarily just one building. It may be regional.

We have various ideas about being able to bring people in or get the information out. I'm very familiar with some of your constituents and have had the opportunity to spend a great deal of time with the construction community in Boise and Coeur d'Alene, and other parts of your State.

To get reliable information in this area is extremely difficult and for a lot of practical reasons this information is not getting to the small business person, much less to the ultimate consumer who will be the driving force to get this technology into our building systems.

Senator MCCLURE. A lot of the conservation is hidden, going from a standard 2 by 4 wall to a 2 by 6 wall. Nobody can see that unless it is pointed out to them and they only take for granted that what the builder tells them is true anyhow. They're not going to tear into the wall to find out whether it was built that way.

I keep searching for ways in which we can get across to people what is available and what can be done without spending all our money in a building information center, and in constructing such buildings. I'm not sure that buying the materials and putting it into an energy efficient building center—if that's what I understand it to be, a demonstration project—is worth the investment.

Maybe I need a better definition of what it is you're trying to do.

Mr. COLLINS. Mr. Chairman, I certainly would be glad to provide that more extensively for the record. I'd like to say that it is not a building, per se, that we have in mind—it's more conceptual.

[The information follows:]

ENERGY EFFICIENT BUILDING CENTER(S)

Energy efficient building center(s) is a new initiative. Although all the specific details have not been worked out, the concept has two major components: Display center(s) and an information clearinghouse.

Display center(s) would be a joint effort between DOE and the building industry. The private sector and research organizations would be asked to prepare the displays and exhibits according to established guidelines that are developed in cooperation with the private sector. In particular they would have to document the accuracy of any claims and would have to show the life-cycle cost and energy savings characteristics of the technology. The guidelines will require information that will facilitate comparison of competing technologies. The location of the center(s) will be determined through a competitive selection process that will encourage involvement of the private sector, universities, and local communities.

The benefits of the center(s) are that persons in the building industry would be able to see new materials, technologies, and equipment very soon after they were introduced, and they would see them in an environment that allowed them to make comparisons on the basis of comprehensive, comparable, and documented information. This would greatly facilitate and accelerate the use of energy saving, cost-effective materials, technologies, and equipment.

The second component, the clearinghouse, is designed to collect the results of building energy research performed by Government, private sector, and foreign sources and transfer research results to the private sector and other researchers as quickly as possible. The benefit of this would be to reduce the lag between completed Government research and subsequent product development or other research by the private sector. This will allow earlier development of more energy efficient and economical materials, technologies, and equipment and help avoid duplicative and unproductive research.

The energy efficient building center(s) is not proposed as an alternative to working with the existing industry trade associations and State and local government agencies. It is primarily designed to enhance the procedure for getting information to these groups and to get it to other relevant groups not now served.

This initiative was developed as a result of trying to determine how information from the Federal R&D programs and information obtained from the private sector, universities, industry research organizations, State governments, and foreign governments (by means of the International Energy Agency) would be more effectively and efficiently assembled, evaluated, and distributed to relevant target groups. NAHB, AIA, ASHRAE, NIBS, and other building industry organizations have been involved in discussions of how to improve this technology transfer activity. Information from these organizations about their needs as expressed in special conferences and workshops has been considered.

HOME ENERGY RATING SYSTEM

Mr. COLLINS. I think that a lot of this we're going to have to work out as we go. We've had proposals from the Science Museum in Atlanta and others; maybe that is the place to utilize for this.

I think the home energy rating system, on a voluntary basis, is a way to go in this area as well. It's one that will be, I think, accepted in general by the private enterprise community and can be very, very helpful to the consumer and actually help us to do this in, once again, a voluntary way.

Senator MCCLURE. Which I fully support. I like the idea of appliance labeling much more than I do mandatory standards. But that means that we've got to do good work with respect to making that information available to the consumer so that they can make informed choices.

Mr. COLLINS. Yes, sir.

Senator MCCLURE. Otherwise, they simply don't have the information upon which to react. I have some questions which I will submit for the record with respect to the Appliance Standards Program and with respect to the Urban Waste Program and the Biomass Program, and the integration of the two.

INDUSTRIAL ENERGY CONSERVATION

Let me turn to industrial energy conservation for a moment. Your fiscal year 1985 request of $33,294,000 represents a 2-percent reduction from the 1984 level of $33,712,000. Included in this reduction from the fiscal year 1984 level are net increases of $350,000 for waste energy reduction, $1,600,000 for implementation and deployment, $232,000 for program direction, $4,400,000 for capital equipment, and net decreases of $6,200,000 for industrial process efficiency, and $800,000 for industrial cogeneration.

Mr. COLLINS. Mr. Chairman, one of our major thrusts in this area is the thin-strip casting work and, as you know, we're in the process now of evaluating that and it's actually being managed out of our Idaho national labs.

Senator MCCLURE. Are you going to get that contract award made by May 15?

Mr. COLLINS. Yes, sir. We're on track and I assume——

Senator MCCLURE. I heard your first answer; "Yes, sir." Then you qualified it.

Mr. COLLINS. I want to say, Mr. Chairman, that I met with the team in Idaho that is working on this 2 weeks ago and we have no indication that there's any reason that they won't.

Senator MCCLURE. In passing last year's bill, Congress anticipated that the total cost of the project would be about $30 million. Do you feel that this is still a valid number or has the focus of the program changed enough to expect the total cost to vary significantly from that?

Mr. COLLINS. The estimate of our professional staff is that is still a number that is in the ballpark, sir.

Senator MCCLURE. You still think that's ballpark——

Mr. COLLINS. Yes.

Senator MCCLURE [continuing]. Or close enough that you couldn't change it now.

Mr. COLLINS. That's correct, sir.

Senator MCCLURE. I have some other questions which I will submit for the record in the area of the industrial programs.

For technology and the information transfer, you propose to introduce a newsletter for industrial use which focuses on new energy efficient industrial technologies and energy management techniques.

How often would this newsletter be published and what will be its associated costs?

Mr. COLLINS. Mr. Chairman, there isn't a newsletter in this field, and that's something relatively unique in America anymore, a place that there isn't any newsletter. Quarterly would probably be sufficient.

Just like everything else, we're going to look for cost sharing. But if we can't get an adequate number of subscribers or something close to that; we think it's an area that should be addressed in that type of a format to keep——

Senator MCCLURE. You say it hasn't been done and it isn't being done now. Do you have any idea why it isn't being done? Does this indicate that there's no need for it? Or is it just a hole that nobody has yet seen fit to occupy?

Mr. COLLINS. Well, I think, Mr. Chairman, that there are a significant amount of areas like this where the market is not as big as it is in other areas, but at the same time the people who are in the manufacturing process are geographically remote from each other and it's basically one convention a year or maybe two conventions when they get together and this is done.

Senator McClure. Are you planning to do that inhouse or are you going to contract it?

Mr. Collins. I think most of these we'll have to contract.

Senator McClure. Probably contract?

Mr. Collins. Yes, sir.

Senator McClure. Has that decision been made?

Mr. Collins. No, sir.

Senator McClure. Will you keep us informed as to what you develop with respect to how you expect to approach that problem?

Mr. Collins. Yes, sir.

Senator McClure. Also under technology and information transfer you indicate that you expect to initiate and operate a national information center for industrial conservation technology. Yet you have provided virtually no justification for such a center.

Specifically what do you plan to do in this regard and why is such a center necessary?

Mr. Collins. Mr. Chairman, before he became our Acting Deputy Assistant Secretary for Conservation, Mr. Streb was head of our Industrial Program. I'd like him to comment on that.

Senator McClure. Very well.

Mr. Streb. I think that there's a need for a clearinghouse particularly to serve small- and medium-sized manufacturing operations. There's a great deal that's been learned, for example, as a result of our EADC Program which is a regional activity that has, during the last year, been expanded to some extent but still is not accessible to the whole community of small- and medium-sized companies.

So what we envisioned here is really something that could take that which was learned from the EADC Program, for example, and the other knowledge that we have of modest modifications that can be made with big impacts to these industries and provide an information source to deal with specific problems and answer questions of the small- and medium-sized manufacturers.

Senator McClure. How much do you expect to spend on that program in 1985 and how much would you expect it to cost in 1986 and 1987?

Mr. Streb. Mr. Chairman, I'll have to furnish the specifics for the record.

Senator McClure. If you'd do so, that would be fine.

Mr. Streb. Yes.

Senator McClure. Thank you.

[The information follows:]

INDUSTRIAL ENERGY CONSERVATION INFORMATION CENTER

Fiscal year 1985 funding for the Industrial Energy Conservation Information Center, which is still in the conceptual stage, is approximately $1 million. This figure is an estimated first year cost covering staff, computers and other equipment, and bibliographical subscription services involved with establishing the center. Various trade associations and professional societies will be involved with the development and planning of the center. Funding requirements for fiscal year 1986 and fiscal year 1987 would be approximately $500,000 per year.

TRANSPORTATION BUDGET

Senator McCLURE. For fiscal year 1985 you have proposed a transportation budget totaling $51,052,000. This represents a reduction of some $13,986,000, or 22 percent, from the fiscal year 1984 level and is primarily made up of reductions of $14 million for continued Stirling engine development and $10 million for just one advanced gas turbine development team, and an increase of $10.5 million for increased research and technology development on basic and specific AGT-related ceramic materials.

STIRLING ENGINE DEVELOPMENT

With regard to the Stirling engine development you have proposed no funding for fiscal year 1985. Does this imply there is no more research and development to do in this area? And, if not, for what specific reasons should DOE terminate its role in the development of the engine?

Mr. STREB. Well, Mr. Chairman, I think that the Stirling Program has been relatively successful. In fact, I think they've had more people express interest from the private sector this year than they have had in all years previously combined.

We think that it's probably at the stage where one of these private sector people who have expressed interest in this—the basic and applied research has been done and the proof-of-concept—are ready to go into a cost-sharing arrangement.

I don't think everything has been done with Stirling necessarily. I think we have some very promising possibilities of making it in the heat pump area as opposed to the automotive area, but——

Senator McCLURE. Are you suggesting that there might be a cost-sharing proposal on MOD-II Stirling?

Mr. COLLINS. Yes, sir.

Senator McCLURE. At least you would entertain the notion.

Mr. COLLINS. Yes, sir.

Senator McCLURE. Your justification indicates that DOE's role in the project will be completed in fiscal year 1984. Do you plan to phase that out in 1984 while Congress is pondering the 1985 bill, or do you plan to make a decision in this regard after it appears more clear what congressional intent might be?

Mr. COLLINS. I think we definitely plan to try to get a clear congressional intent, Mr. Chairman.

Senator McCLURE. It's my understanding that if DOE does terminate its role in the project there will be associated termination costs. Is that correct? And, if so, how much do you expect those costs would be? Why were they not included in the budget request?

Mr. COLLINS. Mr. Chairman, we have not received a proposal or requested one from the Stirling engine people and that would be a next step when we see the clear congressional intent.

Senator McCLURE. Could you provide for us in aid of that congressional determination what the project termination costs would be, if terminated?

Mr. Collins. Yes, Mr. Chairman. Be glad to.

[The information follows:]

Stirling Engine Program Termination Costs

Based on estimates prepared in fiscal year 1983 by NASA and DOE, termination costs for the Stirling Engine Program could amount to between $2.5 and $3.5 million. All contract termination costs are subject to negotiation. If contractor notification is accomplished in a timely manner, these costs, as specified in our contracts, could be funded under our fiscal year 1984 appropriation.

ADVANCED GAS TURBINE ENGINE DEVELOPMENT

Senator McClure. With regard to the development of the advanced gas turbine engine, you have once again this year proposed to continue the development with one industry team instead of two. Congress has, up to now, rejected similar proposals.

What's changed in the program that leads you to believe you can convince the Congress to do differently this year what you couldn't convince us to do last year?

Mr. Collins. Well, other than the fact that I haven't had the chance to do the convincing, Mr. Chairman, I do think that for technological reasons we are proposing to proceed with one contractor on the turbine and the other contractor in the ceramics area on which, as you know, we have a great emphasis in our budget across the board and particularly in this area.

Senator McClure. I will submit some further questions with respect to the AGT Program; but I wonder, is this an area where cost sharing, too, might be useful?

Mr. Collins. Yes, Mr. Chairman. We have expressed that possibly there is some combination there between the two contractors where we can accomplish our goals and still keep the costs down.

Senator McClure. It might be possible that we can meet your objectives in reducing budget costs to meet the congressional objectives by keeping two teams going, by spreading it over two programs with cost sharing in each.

Mr. Collins. Yes, sir; I think that's a possibility.

Senator McClure. I would invite you to explore that and give us some information or advice on it.

Mr. Collins. Yes, sir. Be glad to.

ELECTRIC AND HYBRID VEHICLES

Senator McClure. For electric and hybrid vehicles you've requested $6,800,000, a reduction of $4,900,000 from the 1984 level. In several areas of research including the development of an advanced alternating current power train for electric passenger cars, the development of battery technology for hybrid vehicle applications, development of advanced hybrid vehicle propulsion system technologies, and component and subsystem requirement analysis, and the evaluation of energy storage technology concepts for vehicle traction power applications, you have proposed to conduct work in fiscal year 1985 with funds appropriated in fiscal year 1984.

Briefly now, and then in detail for the record, please, would you explain how much money is carried over and why you are able to carry over these funds from 1984 to 1985. Was progress on these programs slowed deliberately, or are there valid technical reasons why you're able to request no new funds for these programs for fiscal year 1985?

—Mr. COLLINS. Mr. Chairman, I'm informed that the money was—I think to use the term that I'm learning, since I'm relatively new to the Federal system—forward-funded and that there remains enough money in that to carry out that activity satisfactorily.

I will check that for the record in detail and see if that is——

Senator MCCLURE. Congress didn't appropriate it to be forward-funded. Ordinarily when Congress does forward-fund something it's a rather unique event and it's identified very singularly in the appropriations process.

Mr. COLLINS. Well, I think, Mr. Chairman, that I should look into that further and supply it for the record if that is satisfactory to you.

Senator MCCLURE. If you would, please, I would be interested.

[The information follows:]

ELECTRIC AND HYBRID VEHICLE PROGRAM FUNDING

The fiscal year 1985 budget request for the Electric and Hybrid Vehicles Program identifies several activities that will be concluded in fiscal year 1985 using prior year's funds. These activities, including hybrid battery technology, hybrid vehicle propulsion, and the evaluation of energy storage technology concepts for vehicle traction power applications, are fully funded in fiscal year 1984; however, the actual contracted period extends into fiscal year 1985. The purpose of identifying these items in the fiscal year 1985 budget was to give a complete picture of all the activities that are being conducted including those that extend into the new fiscal year even though they are fully funded with previous year's appropriations.

In the case of the development of the ac power train technology, that element of the overall project that is fully funded in fiscal year 1984 extends through fiscal year 1985 and it was determined that no additional funding would be required in the fiscal year 1985 request.

No funds are actually being carried over from fiscal year 1984 by the Electric and Hybrid Vehicle Program Office to fund fiscal year 1985 programs. The progress on these programs was not slowed, but rather all work was contracted for and all funds committed in fiscal year 1984 with some activities extending into fiscal year 1985.

DRIVER AWARENESS TRAINING AND RIDE SHARING PROGRAMS

Senator MCCLURE. You've proposed funding in fiscal year 1985 for two programs not funded in fiscal year 1984: Driver awareness training for $400,000, and ride sharing at $800,000. While no one can dispute—and I certainly wouldn't try to dispute—that training efficient drivers and promoting ride sharing will result in energy conservation, I frankly wonder what DOE can do in these areas for $400,000 in one area and $800,000 in the other that hasn't already been done long ago.

Can you justify the expenditures in those two areas?

Mr. COLLINS. Mr. Chairman, I have recently visited a project in Arizona where the Energy Department staff of a relatively large community actually took a training course, came back, passed that throughout the entire city government and country government and the savings were extremely significant; not only in the amount of petroleum that was used, but also in the upkeep of the city fleet in a variety of ways.

I think that it is a Technology Transfer Program that has been done hardly at all and I think that it deserves a—it could be a significant savings, both in the petroleum area as well as other costs attendant to Government.

Senator McClure. It seems to me these programs are more appropriately either in the State energy offices or under DOT in their driver training programs. I just wonder what you plan to do with $400,000, for instance in driver awareness training.

Mr. Collins. Well, I think that it's designed to be part of our work with the States, Mr. Chairman. I think it's to provide some lead people who can teach and provide for the transfer of that throughout the systems from the State government.

Of course, it is a great deal of money, relatively speaking, as you suggest. I think the effects may be of relative significance if the Arizona situation is a test case.

Senator McClure. Well, I hope you can give us some justification; and, also, if you would, check to see whether it duplicates any efforts being done by way of State energy offices or the local government programs; and also whether or not there are other such programs in the Federal Government in other areas.

Mr. Collins. Yes, Mr. Chairman.

Senator McClure. I hope, too, you would give me a little more specific information as to how you expect to constructively spend these amounts of money. With ride sharing at $800,000 it seems to me you could spend an awful lot of money for very little result.

There's an awful lot been said and done about carpooling and vanpooling across the country.

I just wonder how you heighten the awareness with $800,000.

Mr. Collins. Yes, Mr. Chairman.

Senator McClure. I hope you will provide me with more detail in those areas.

[The information follows:]

DRIVER ENERGY CONSERVATION AWARENESS TRAINING

The current Driver Energy Conservation Awareness Training [DECAT] Program at the DOE Nevada operations office is being operated at a very low level effort using internal funds to train 7,000 employees at the Nevada test site office. On a cost-reimbursable basis, the Nevada DECAT Program also offers training for potential DECAT instructors.

The potential for energy conservation through driving training has yet to be realized. While a handful of States are conducting DECAT programs, the majority of States are not. The private sector is where the greatest energy saving potential lies, and this potential is largely untapped.

The proposed funding of $400,000 would implement a national DECAT Program to increase the visibility and utilization by the motoring public of improved driving techniques for fuel consumption. The benefits of such a program could be a savings of 600 million gallons of gasoline per year, if only 10 percent of the Nation's drivers achieved only 5 percent improvement in fuel economy. Under the proposal DOE would publicize and expand the DECAT Training Program at the Nevada operations office and encourage participation by private firms, and Federal, State, and local governments operating vehicle fleets. The Department would also publicize and enhance the program for large truck fleet operators [DECAT-T]. Previous private sector support (League of Women Voters, Driver Education Association, Motor Vehicle Manufacturers Association, American Trucking Associations, et cetera) would be reestablished, and several regional DECAT centers would be established to increase the training capacity and to reduce the costs of travel to persons being trained.

RIDE SHARING

Currently most States do have ride sharing programs which are funded, in part, with Federal funds received from the Department of Transportation and DOE. These are programs to advertise ride sharing, match potential ride sharers with one another, and perform other functions to promote ride sharing. While there have been successes associated with many of these programs, the level of ride sharing has not increased during the last couple of years, and in fact, may be declining.

There are still a number of barriers that prevent ride sharing from achieving its full potential. The proposed $800,000 DOE Ride Sharing Program would focus on removing these barriers. DOE would act as the catalyst in assembling a private sector volunteer steering committee of knowledgeable professionals from the corporate world and academia to prepare a commuting plan utilizing carpools and vanpools that would accommodate future growth and reduce energy consumption through cost-effective ride sharing which would be increased via the removal of institutional and financial barriers.

The steering committee would also develop subcommittees which would begin the barrier removal process with persons at the Federal, State, and local levels. These subcommittees would work with the Internal Revenue Service to eliminate tax problems, with State governments to eliminate insurance and common carrier problems, and with local governments to eliminate zoning/parking barriers.

Additionally, DOE would work with State and Federal officials to increase the number of high occupancy vehicle [HOV] lanes which would provide an added incentive to carpooling and vanpooling.

CASTING STEEL IN STRIP FORM

Senator McCLURE. I have a number of other questions that I want to submit for the record, but I do have one other area I want to go into.

Before doing that however, I yield to the distinguished Senator from West Virginia who has some questions he would like to ask at this time.

Senator BYRD. Mr. Chairman, I thank you for your courtesy. I will be brief.

Mr. Collins, last year at my request, this committee included $7 million for the first year of a 3-year pilot program to demonstrate the technical and economic feasibility of directly casting steel in strip form. The Senate bill assumed that Battelle Memorial Institute, working with National Steel, would conduct this demonstration in Wierton, WV, with additional funding of $15 million in fiscal year 1985 and the final installment of around $8 million in fiscal year 1986.

During the conference, this amendment language was modified to permit other companies to compete for this $30 million program. I have a few questions.

The first is: How many barrels of oil equivalent are estimated to be saved annually by the domestic fabrication of strip steel products through direct casting techniques compared with the present continuous casting process?

Mr. Collins. Senator Byrd, approximately 125,000 barrels a day.

Senator Byrd. I beg your pardon, sir?

Mr. Collins. Approximately 125,000 barrels a day, I'm informed.

Senator Byrd. So that would add up to what annual, could you say?

Mr. Collins. About——

Mr. Streb. Senator, it's a quarter of a quad, quarter of a quadrillion Btu's annually. I can make a quick conversion for you.

Is it in dollars that you wanted it?

Senator Byrd. I'm talking about barrels, barrels of oil.

Mr. Streb. Well, it's about 30 to 40 million.

Senator Byrd. Thirty to forty million barrels.

Mr. Streb. Yes, sir.

Senator Byrd. What percent of U.S. strip steel needs are filled by imports at the present time?

Mr. Collins. I'd like to refer that to Acting Deputy Assistant Secretary Streb.

Mr. Streb. I believe this is something that we'll have to correct in the record, but I believe it's on the order of 20 percent.

Senator Byrd. Of how much?

Mr. Streb. On the order of 20 percent of our strip, sir.

Senator Byrd. The strip steel market, then, would represent substantial improvement from the standpoint of American energy usage and from the standpoint of our balance of payments problems. Would that not be correct?

Mr. Collins. Very significant.

Senator Byrd. If the United States could successfully develop a technological advance, such as direct strip casting, would this not create double benefits by not only reducing our strip steel imports but by also making U.S. companies more competitive in the export of such products?

Mr. Collins. Well, it certainly would, Senator Byrd, and we think it's an extremely significant development, the successful implementation of this.

Senator Byrd. Are other countries pursuing this technology?

Mr. Collins. Mr. Streb?

Mr. Streb. Senator Byrd, we're aware that Japan is doing some work in this area. We know of a number of companies, without having the specifics, that are pursuing both the very thin strip casting as well as the direct casting of thinner sections on the order of an inch which can then subsequently be rolled down.

The details of these developments we don't have. We are trying to keep our finger on the pulse of the situation, and we know that they are pursuing it.

It's not, to the best of our knowledge—in fact, I'm certain that they haven't reached the point of commercialization as of yet.

Senator Byrd. There is, I suppose, a concern though that we should have this technology—that we could be in danger of being bypassed in this technological area unless we're committed to move quickly with this new technological development. Is that a fair statement?

Mr. COLLINS. That's certainly very fair, Senator Byrd.

Senator BYRD. I'm mildly encouraged that the administration has included nearly $4 million for direct strip casting in the 1985 budget request. That amount, however, would be substantially short of the funding that could be efficiently applied.

Mr. COLLINS. Well, Senator Byrd, I think that not only do we have that much in there, but that is on the assumption that we will not have the contract until late in that fiscal year and it may even require more significant participation if we can move that quicker.

Senator BYRD. More significant participation from the standpoint of dollars?

Mr. COLLINS. Yes, sir.

Senator BYRD. Are you in a position at this moment to give some indication as to the estimate of that amount?

Mr. COLLINS. Senator, I'd like to provide for the record the amount that that would be on an annual basis if I may.

Senator BYRD. All right. And if you could, also indicate what your advice would be to this committee as to adding funds over and above the $4 million, not only the advantage that might come to our country for doing this, but also why it might be of concern to us not to come forward with that additional money in view of the fact that this technology might be pursued by Japan and other countries in the meantime.

Mr. COLLINS. I understand.

[The information follows:]

FUNDING FOR THIN STRIP CASTING

The legislative history for funding of the thin strip casting pilot plant contract assumed a $30 million project. In terms of appropriations, this would break out as follows: Fiscal year 1984, $7 million; fiscal year 1985, $3,600,000; fiscal year 1986, $10 million; and fiscal year 1987, $9,400,000.

It is expected that a second contract will also be awarded to pursue laboratory scale development of the most promising alternative concept. This is projected to require $1 million, which will be funded from available appropriations.

We do not think that funds in excess of our request could be effectively utilized in fiscal year 1985.

RESPONSES FOR DIRECT STRIP CASTING

Senator BYRD. I think what we want to do, you and I and the others of us, we want to take advantage of this opportunity to move forward on this technology because it seems to be very promising. As we have already indicated, it would have an impact on our trade balance payments and on our exports as well as imports.

How many responses have you received by yesterday's closing date for the direct strip casting?

Mr. COLLINS. Senator Byrd, I'm in a position of being the source selection officer for the Government. I'm also that for the first time. I am told by our General Counsel's Office that is probably an area that I should not approach at this time but I'll be glad to have the appropriate people supply that to you and to the committee.

Senator BYRD. All right. I'll repeat the questions then.

How many responses were received by yesterday's closing date for the direct strip casting? And also if you could, compare that with the number that you might have anticipated last summer.

Mr. COLLINS. Yes, sir.

[The information follows:]

RESPONSE TO SOLICITATION ON THIN STRIP CASTING

The number of proposals received in answer to the solicitation on direct strip casting was fewer than anticipated. We respectfully request that we not be required to provide the specific number of responses for the record, because of the potential impact during the negotiation stages of the competitive selection process. DOE procurement regulations restrict such information to Source Evaluation Board members and advisors.

VARIOUS APPROACHES TO THIN STRIP TESTING

Senator BYRD. This may or may not fall into the same category. Does it appear initially that there is a wide variation in the technical approach among the proposals?

Mr. COLLINS. Sir, I do not know of the technical analysis in the proposal. My understanding is that probably no one does at this point.

I think the closure was yesterday or the day before on this and the selection team will proceed from here on in.

Senator BYRD. Do you believe that it might be reasonable to fund more than one demonstration considering the different approaches that have been proposed and the likelihood of foreign competition in the development and commercialization of this technology?

Mr. COLLINS. Mr. Streb?

Mr. STREB. Senator Byrd, we had planned from last fall to pursue a route in which we would support one contractor, the successful bidder in this particular instance, at an optimum relatively high level. Seven million dollars was contemplated for the initial allocation this year.

Our plans were also to support, at a much lower level, a second contractor—let's call him the runner-up—to at least do feasibility studies and preliminary investigation on an alternative concept.

We have believed from the beginning that this is such an important area that it is probably prudent to pursue more than one route.

Senator BYRD. Would you say that last sentence, please? It's probably what?

Mr. STREB. Sufficiently important that it would be prudent to pursue more than our route.

Senator BYRD. More than one——

Mr. STREB. More than one proposed approach.

Senator BYRD. Does the fiscal year 1985 budget include funds to continue technology based development among several companies in support of this Direct Strip Casting Pilot Plant Program?

Mr. STREB. The funds that we've requested were based on the, I think, accurate assumption that because of the competitive process the contract would not actually be negotiated and placed until near the end of this particular year. The $3.6 million in our request is anticipated to be sufficient to cover both the 1985 requirement for the primary contract as well as a smaller amount of funds for the runner-up.

Senator BYRD. How do you view this process—do you view it enthusiastically or less than such—as being a potentially very important thing for our country from the standpoint of national security and also from the standpoint of the rebuilding or I should say the improving of the situation that confronts our native steel industry?

Mr. COLLINS. Certainly do, Senator Byrd.

Senator BYRD. From what you've seen of it or read of it, or whatever, you think this is a very good thing for us to participate in from the standpoint of funding, from the standpoint of the results that are anticipated to come along in a few years?

Mr. COLLINS. Well, certainly. As you have stated regarding the situation in the U.S. steel industry and we're extremely sensitive to that. And in an area where funds are tight all over, as you well know, we have included funding to pursue this technology.

Senator BYRD. As I understand it, at the time we went into this matter last year it was predicated to some extent at least on the fact that the companies, as I recall, were going to refund this money in the event of the success of the technology. Is that——

Mr. COLLINS. Senator, I'd like to defer to Mr. Streb on that point.

Senator BYRD. All right.

Mr. STREB. Senator Byrd, one of the requirements that was imposed on the bidders is that we allowed them to choose the way by which they would compensate the Government in the longer term for our participation in the early development.

I am not privy to the proposals at this point in time and if I were I couldn't comment on what has been proposed.

Senator BYRD. Well, I'm glad that the administration has included this request in its budget even though not as much as I had hoped is being requested. But, in any event, it does show that the administration is supportive of this technology and the effort to develop it, and I want to express my—I wouldn't say thanks because we're both working toward the same end, I think, toward the same conclusion.

But I do want to express some satisfaction that the administration is behind this effort; and I would hope that if additional moneys can be feasibly expended at this point that you would indicate by your further responses on the record something in that area.

I guess you're in a little more difficult position than I am to talk about figures, dollar figures; but whatever you can submit in response to the previous question I'll be very appreciative.

Mr. COLLINS. Thank you.

Senator BYRD. I hope that we can be helpful.

[The information follows:]

Funding for Thin Strip Casting

The $3.6 million requested in fiscal year 1985 for direct strip casting, combined with the fiscal year 1984 appropriation of $7 million, will be quite adequate for the required outlays into fiscal year 1986. Given the number of proposals received, it is doubtful that more funds than requested could be effectively utilized.

NEED FOR STRONG U.S. INDUSTRIES

Senator Byrd. I want to thank the chairman of this subcommittee for the support that he has given to this rather bold and new technology and to the funding that has been requested in order to initiate it and move it along. I feel that I personally, as a Senator from West Virginia, am in his debt and I'm sure that the companies and the employees of firms that have potential in the future will feel a gratitude likewise.

Senator McClure. Well, I thank the Senator for his words. Of course, we do recognize the basic industry as very important to the strength and security of this country and we're going to have to find ways to make certain that they remain competitive.

There are those who suggest to us that more economic efficiency might be obtained by allowing other competitors in other areas of the world to provide basic industrial output and we simply buy it at lower cost. That's a rather seductive argument until you start looking at national security and until you look at the alternative costs of providing community support and jobs for men and women that have to work in this country.

I'll continue to work with the Senator from West Virginia and any others who make suggestions as to how we make basic industry viable and competitive.

Senator Byrd. Well, I think the chairman has spoken, again, very wisely. I've been troubled by the prospects of just what he has addressed, procuring some of the basic items from Brazil or Great Britain or whatever.

I think that would make our steel industry more and more dependent upon other countries, and I think if this country is going to remain a superpower and a leader, an industrial leader as well as remain strong militarily, it's vitally important that we not let a basic industry such as this become dependent upon other countries, at a time particularly when we might not be able to depend upon those sources.

Senator McClure. I have appreciated the help of the Senator from West Virginia when it comes to the associated question of access to the raw materials that are necessary to keep those industries strong, too. We're not Fortress America and can't retreat behind exterior barriers.

We have to recognize the nature of the world in which we live, and that means we have to continue to have resources available domestically as well as internationally to provide the basic raw materials for these basic industries as well.

The Senator from West Virginia has always been very helpful in that field, and there's much left to be done.

Senator Byrd. I, again, thank the chairman.

Senator McClure. Thank you very much.

I have just one more group of questions that I will ask for the record today and then the balance I will submit for the record.

PETROLEUM OVERCHARGE RESTITUTION FUND

The administration has proposed to create a Petroleum Overcharge Restitution Fund from which to provide funds for weatherization, schools and hospitals, and low income energy assistance grants. That, of course, requires separate authorization as well as appropriation.

The legislation was introduced in the Senate by request last Wednesday, February 29. I understand that Congressmen Broyhill and Corcoran have introduced it in the House.

From your discussions with the House how has this legislation been received in the House and what, in your opinion, are its prospects for hearing and passage?

Mr. Collins. I think the Petroleum Overcharge Restitution Fund that we have suggested is a concept that is very innovative and bold, and that there is not a great deal of information known about it by some of the people that are affected.

So I think, anything that's new, and that affects what is perceived as possibly money in the pipeline, may not get as warm an initial reception as we would like in the administration. But let me just say, to ameliorate that, that what we heard from the State energy directors and the weatherization directors in the fall meeting in Kansas City was that they primarily, in this program, wanted continuity and stability, a multiple year commitment. And, that's what they have with this proposal, and a way to manage their programs, because, as you know, if this piece of legislation is passed we're talking about a 5-year commitment. At the funding levels that Congress provided in this year's appropriation, we're talking about over $10 billion over the 5-year period. And we're talking about that continuity and stabilization that the State energy directors and weatherization directors said that they wanted in those programs so they could manage them more effectively.

I think that when that is understood, we're going to have a better reception for the concept.

Senator McClure. Can you tell us what was the thinking, the reasoning that led to the decision to place this program in the Department of Health and Human Services as lead agency in handling the funds for these conservation assistance programs?

Mr. Collins. Mr. Chairman, HHS is the largest recipient of the funds under the present program in their Low-Income Home Energy Assistance Program; and I think that is the primary logic behind it. I have heard no grand strategy beyond that.

Senator McClure. Is it your expectation that DOE will be completely removed from any authority or responsibility for these programs, that they will be totally, wholly, and completely transferred to HHS?

Mr. Collins. No, sir.

Senator McClure. Are you not, then, setting up another level of administration and separate parallel administration of programs that are in both departments?

Mr. Collins. I think, Mr. Chairman, that what we plan by this is a funding mechanism and with none of the attendant activities that would be implied by a bureaucracy or a staffing of——

Senator McClure. Now, HHS will handle the money, the administration of the program? Or are you going to handle and administer the programs?

Mr. Collins. The lead in that would be DOE.

Senator McClure. You would have the lead, but who would have the administration?

Mr. Collins. We would have the administration at the Department of Energy, Mr. Chairman.

Senator McClure. My experience—and I don't have detailed experience, but I've been watching some of these things for quite a while now—is that whenever you double the administrative apparatus you increase administrative overhead.

I suspect HHS is going to rake off some of the money for administration, if I can put it that way, and you're not going to, by a corresponding amount, decrease administrative expense in your Department.

Mr. Collins. Well, Mr. Chairman, I perceive this as a funding device and an accounting device, and I don't perceive that to be the case at all. I don't think HHS will, in fact, have any administrative costs nor charge any.

If I may, I'd also like to say that sometimes, Mr. Chairman, it seems in Washington that I've heard a lot of discussion about where the fund is, or a little inside baseball on this. But I think the primary goal is the recipient of these programs and those who have to administer them, particularly in the field where it's tougher to administer.

For those people, what we're talking about is a long-term, stable commitment.

Senator McClure. I understand the long-term, stable commitment argument, but I'm not sure I understand why you make HHS a lead agency for a program which you say you're going to administer.

Mr. Collins. Mr. Chairman, the Low-Income Home Energy Assistance Program in Health and Human Services will remain there, and the weatherization and schools and hospitals programs of the Department of Energy will remain here. What we're talking about is a funding budgetary device.

Senator McClure. You expect that they'll be separated and HHS is no longer the lead agency with respect to the schools and hospitals and weatherization?

Mr. Collins. I'd like to——

Senator McClure. If I read the bill correctly, what you have sent up to us is that they get the money and then they transfer it to you. What's the magic in that?

Mr. COLLINS. Well, I think that there is no magic.

Senator MCCLURE. Like a New York banker, I suspect HHS will like that because New York bankers always get a percentage of every dollar that's transferred regardless of which direction it's going.

Mr. COLLINS. Being from Montana, I'm familiar with that argument—[Laughter.]—and I'd like to ask Frank Stewart, who is head of our Schools and Hospitals Program, if he would add a little to that.

Senator MCCLURE. I wonder if Secretary Heckler got to you so she could get some of that money. [Laughter.]

Mr. STEWART. Mr. Chairman, the Low-Income Weatherization Assistance Program and the Schools and Hospitals Energy Conservation Program are both responsibilities of the Department of Energy and have been since 1978.

Senator MCCLURE. Right.

Mr. STEWART. The Low-Income Home Energy Assistance Program is the responsibility of the Department of Health and Human Services. The design of this effort would be to establish a fund in a single location and through a single administration make two sources of funds available, one to continue the HHS activity and the other to continue the two DOE activities.

Senator MCCLURE. Can't you simply establish the fund in the Department of the Treasury for direct appropriation and administration separately without going through the charade of having it appropriated to HHS and then transferred to DOE?

Mr. COLLINS. Certainly, Mr. Chairman. There was no magic in HHS or DOE. HHS would be the largest recipient, so it was located there.

It is a legislative and a technical mechanism, and I hope that there isn't one person that's involved in it more than an hour a month.

Senator MCCLURE. Well, I've heard that——

Mr. COLLINS. Yes.

Senator MCCLURE [continuing]. Precatory desire stated many times.

ADDITIONAL COMMITTEE QUESTIONS

We will have some questions and other Members of the subcommittee may have some questions for submission in writing and response for the record in writing. I do appreciate very much your testimony this afternoon before this committee and look forward to working with you on many of these programs.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

Building Energy Retrofit Research, Commercial Buildings

Question: Under Building Energy Retrofit Research/Commercial Buildings Energy Conservation, you have proposed increasing the level of effort from the 1984 level of $300,000 to $700,000 in order to expand the field data collection to a larger sample size to better determine the extent that occupant behavior is changed by the presence of retrofit measures. Can you give the Committee examples of the types of additional data you would expect to collect that you are not now collecting? Do you really need to more than double the funds necessary to collect data? Does this imply that the amount of data to be collected will also more than double?

Answer: The FY 1984 funding of $300,000 is being used to develop an experimental design and plans for collecting data in FY 1985 that will explain how retrofit measures actually work in occupied buildings. There is a need to determine why energy savings actually achieved after retrofit often fall substantially short of predicted savings based on engineering estimates. We expect to collect data from direct monitoring of buildings to determine the contribution of retrofit measures, construction quality, and occupant behavior on retrofit performance in buildings.

The additional funding is needed to complete the development of tools (i.e. hardware, software, and methodology) for monitoring occupied buildings with sufficient accuracy to determine the above contributions, and to initiate data collection in occupied buildings.

In FY 1984, only limited data collection will occur. The FY 1984 funds are being used primarily to develop an experimental design and plans for collecting data. The FY 1985 funds will initiate data collection and analysis of how retrofit measures actually work in occupied buildings.

Retrofit Occupancy Behavioral Research

Question: Does DOE have evidence that certain retrofit measures have produced negative behavioral or energy consumption patterns by occupants? If so, please give the Committee examples of such negative actions.

Answer: DOE is aware through research that consumers do not always achieve the full energy savings from a retrofit which engineering calculations indicate are possible. This can be done for a variety of reasons, such as improper installation of the retrofit, improper use of the retrofit, and adjustments for personal comfort levels. For example, in some hot, humid climates, occupants have found that new, energy efficient air conditioning equipment set at 75° will not reduce humidity levels to their satisfaction. As a result, the occupants lower thermostats to reduce the humidity, resulting in increased energy use. DOE is planning to examine in FY 1985 such behavioral actions to determine their impact on energy savings and to ascertain how negative behavioral actions can be avoided.

Cooling Efficiency

Question: Many feel it is more prudent and, indeed, more cost effective, to conduct research which addresses peak power savings. In the U.S., this appears to be primarily a cooling problem, as about 40% of all U.S. power is devoted to air conditioning during the warmer summer months. Because air conditioning is largely based on a variety of refrigeration methods, it seems reasonable to assume that this country can achieve significant savings from even marginal improvements in cooling efficiency. Do you agree that cooling efficiency remains one of our bigger problems? If so, why are you proposing no funds for this program?

Answer: The Department of Energy acknowledges that cooling energy demands constitute a significant part of the total energy use in the residential and commercial sector and that peak power savings warrant focused attention. However, the DOE views private sector advances in energy efficacy of refrigeration equipment to date and its sustained attention to the need for further improvements as justification for not continuing government sponsored research in this area.

Municipal Solid Waste Activities

Question: For the record please provide a narrative of exactly how the Urban Waste Program has been integrated into the Biomass program. Include in this narrative the FY 1985 budget estimates for those programs or activities which are now part of the Urban Waste program, and provide a comparison of these activities with all those performed or proposed for FY 1984.

Answer: The Division of Biomass Energy Technology and the Division of Energy from Municipal Waste have been colocated and both assigned to the Office of Renewable Technologies under the Deputy Assistant Secretary for Renewable Energy. Joint planning has been undertaken and coordinated strategies and multi-year program plans developed. These joint planning exercises insure that work accomplished by each program is not duplicative and each draws upon the experience of the other.

A total of $800,000 was included in the FY 1984 Biofuels appropriation for Energy from Municipal Waste activities. In addition, Congress appropriated another $1,500,000 under Energy Conservation Buildings and Community Systems in the Interior Appropriations Act.

The FY 1984 appropriations are committed to developing knowledge of the fundamentals of converting municipal solid waste (MSW) to liquid or gaseous fuels either by thermochemical (heating) or biochemical means. In the thermal area, specific knowledge is being gained on product formation and on the effect of various conversion parameters such as temperature, pressure, time, etc. In the biochemical area, knowledge of the biophysics of organisms that convert MSW and sewage sludge organics to methane is being gained. In addition, research to convert MSW to diesel fuel through a combination of biological and physical processes is being pursued. A test bed, the Refuse Conversion to Methane (RefCOM) Facility in Pompano Beach, FL., is being operated to refine feedstock preparation parameters and to obtain long term (six months) operational parameters. In conjunction with the landfill gas industry, an understanding of the migration of gases through landfill surface is being obtained. The conversion program is supported by research in feedstock preparation and environmental concerns.

The FY 1985 program funding request is $3 million, which is included under the Biofuels line item. These funds will be used to continue FY 1984 research efforts to develop the technology data base for producing liquid and gaseous fuels. The supporting research will be expanded to include work on the materials of conversion to reduce corrosion and erosion.

Appliance Standards

Question: With regard to the Appliance Standards program, please provide for the record; 1) the amount being spent in FY 1984 to process state requests for an exemption from preemption by Federal appliance standards and on standards rulemakings; and 2) how the $1,500,000 requested for the Appliance Standards program for FY 1985 will be split between reanalysis, rulemaking and the states' requests that their standards be exempted from preemption.

Answer: 1) In FY 1984, the processing of State petitions for an exemption from preemption by Federal appliance energy efficiency standards is to be done by in-house staff. The task will require approximately 1.75 FTE's at a cost of $73,000. With respect to appliance standards rulemakings, DOE has yet to conduct rulemakings for seven categories of appliances. In FY 1984, analysis of the impacts of standards for four appliance types (dishwashers, clothes washers, television sets, and humidifiers and dehumidifiers) is being performed with $39,000 in carryover funds and with in-house staff, (0.75 FTE's at a cost of approximately $31,000). The analysis of the impacts of standards on three categories of appliances (home heating equipment (not including furnaces), heat pumps (a class of central air conditioners), and heat pump water heaters) is not scheduled to begin until FY 1985 after rulemakings amending the test procedures for two of the appliances (heat pump water heaters and home heating equipment (not including furnaces)) are completed later this year.

2) The $1.5 million requested for FY 1985 is to be allocated as follows:

- reanalysis ($700,000)
- 3 product rulemaking ($700,000)
- state petitions ($100,000)

Forest Waste Utilization

Question: Under Waste Energy Reduction, you have requested some $500,000 in Forest Waste Utilization to complete the design of a pilot scale engineering test facility to produce diesel fuel from cellulosics, and to provide laboratory support for the development of this process. Please provide a detailed background on this program including what you expect to accomplish and what it could mean for our forest products industry.

What is the time frame for completion of the design of the test facility? How much do you anticipate construction of this facility will cost?

Answer: The project to produce diesel fuel from cellulosics is being conducted by Arizona State University (ASU) with Dr. J. L. Kuester as the principal investigator. The objective of the project is to produce a hydrocarbon fuel, equivalent to #2 diesel fuel, from waste cellulosics and other similar wastes. The research is aimed at producing this liquid fuel at an economic cost that is competitive with petroleum derived fuel. To accomplish this, it is estimated that a yield of at least 60 gallons per ton of feedstock is necessary for consideration for commercial operation. The project was initiated in 1975 with funding from the DOE, the Department of Defense and the Arizona Solar Energy Commission. Including FY 1984 funding, the DOE has provided approximately $2.3 million to develop the technology.

The Office of Industrial Programs had set a goal of producing 40 gallons of product per ton of feedstock (sawdust) before proceeding with the design of a 100 ton per day (feedstock) engineering test facility. This larger facility is important to further refine the processing, and catalyst development, to approach the 60 gallon per ton output and to obtain more credible operating data for estimation of the process economics.

Since the 40 gal per ton milestone has been reached by ASU, they are proceeding to contract for the design of the engineering test facility at a cost of approximately $400,000. The design will start in May of this year and be completed in April 1985. The facility construction is estimated to cost $5 million and take about a year to construct. DOE has advised ASU that they must obtain private funds for the plant construction. DOE only plans to provide funds to support process development to achieve the greater product yields.

In order to provide more perspective about this project some additional background information is appropriate. The potential contribution of biomass to U,S. energy supplies has been estimated by Office of Technology Assessment (OTA) at 6 to 17 quads per year, which justifies public support of alternative technologies which may, in some combination, realize this potential. A quad of oil equivalent is at present worth $5 billion.

An important feature of cellulosic waste is that it is diffuse, as compared to concentrated deposits of coal, oil, and gas. These wastes are bulky and have a high moisture content that results in higher mass and lower fuel value. In addition, these wastes are often found in rural areas remote from large energy-using activities.

The two major kinds of non-municipal cellulosic wastes are (1) agricultural residues, at 35% moisture content, and (2) forest residue, at 50% moisture content. Methods for using these wastes include direct combustion, anaerobic digestion, thermochemical conversion, and others, none of which are commercially successful at present. The quantity of these wastes which can be economically supplied to a processing or energy conversion site is a function of the price which can be paid to the supplier. In turn, the price which can be paid to the waste supplier depends upon the cost of the conversion process and the value of the process product, whether it be, for example, heat or conversion to some other more valuable product. The program within the Office of Industrial Programs is focusing on two technology areas - direct combustion and conversion to higher value fuel.

To improve the efficiency of burning the wet forest wastes, technologies are being developed to dry the waste in the forest so that wood with low moisture content (25%) will be available as an industrial fuel. This moisture removal in the forest also permits a higher "over-the-road" load of combustible materials since the water is left behind. Additionally, mechanical pressing of wet wood is being evaluated at the University of Minnesota to determine the practicality of "squeezing out" the moisture with a specially designed mechanical press. Testing will determine the degree of dryness that can be obtained. Prior fiscal year monies have funded these efforts and the activity will continue through FY 1985.

In the longer term, development of a more sophisticated cellulosic residue conversion technology can help to assure that a balanced and diverse supply of energy is available not only for stationary facilities, but for vital transportation and agricultural equipment uses.

The ASU indirect liquefaction process can produce diesel oil meeting commercial fuel specifications. The major near term question is not whether this technology can compete with direct combustion for the supply of cellulosic waste, but rather can it produce diesel fuel cheaper than the petroleum product. There is plenty of agricultural and forest residue available for a price, almost none of which is presently being used.

The optimum commercial scale for the cellulosic waste indirect liquefaction process is on the order of 1,000 tons of feedstock per day. The main technical question is whether or not a sufficiently high product yield can be sustained to ensure economical operation at this scale. The minimum product yield needed is sensitive to oil prices. At present, a product yield of at least 60 gallons per ton (dry basis) is required for commercial feasibility. Yields of over 40 gallons per ton over 8 hour periods have been obtained at the laboratory scale, which justifies advancement of the project to a pilot-scale test.

The FY 1984 funds and the 1985 funds requested will continue the laboratory effort to obtain improvements in product yields to get to the 60 gal. per ton of feedstock. During this same period, the design of the pilot-scale test facility will be completed and ASU will be soliciting private funds for the construction of the facility.

A report, "Second Year Project Analysis," provides some preliminary economics on the technology. It is planned to update this information when better operating data becomes available. The report is being provided for the Committee files.

National Laboratory Support

Question: You indicate on Page 67 of the justification that support for the National Laboratories under the Waste Energy Reduction activity has slipped from $4,170,000 in Fiscal Year 1984 to $3,000,000 in Fiscal Year 1985. How do you justify this 28 percent reduction particularly when the overall activity funding has increased slightly in Fiscal Year 1985?

Answer: The item in question on page 67 of the justification more properly would be titled "National Laboratories and Other Support" rather than "National Lab Support." This activity includes support services contractors as well as project management support by National Laboratories. This total support activity, furthermore, is for the entire Industrial Energy Conservation Program and not just the Waste Energy Reduction Program. The total program budget request for Fiscal Year 1985 is very slightly reduced from that appropriated for Fiscal Year 1985.

The amount shown for "National Lab Support" in Fiscal Year 1984 was $4,170,000 which includes $3,000,000 for National Laboratories and $1,720,000 for support services contracts to be awarded from a competitive solicitation in Fiscal Year 1984. Since this award will not be awarded until near the end of the Fiscal Year and the existing support services contracts will be adequate until about that time, no funding for the support services contractors would be needed for FY 1985. The amount planned for National Laboratory Support is the same in FY 1985 as in Fiscal Year 1984.

Question: For the record please provide a breakdown by National Lab of the funding provided through this activity during Fiscal Year 1984 and that proposed for Fiscal Year 1985. Include in this a brief narrative of the specific work conducted at each National Laboratory.

Answer: The following presents the descriptions of work at the National Laboratories and the funding planned for Fiscal Years 1984 and 1985:

	FY 1984	FY 1985
Idaho National Engineering Lab	$2,400,000	$2,400,000
Monitoring and management support for 65 active R&D projects of the industrial energy conservation program. Proposal evaluation and selected analytical support. These activities are critical to proper management of the program and have been conducted in this manner for the past several years.		

	FY 1984	FY 1985
Pacific Northwest National Lab	$ 600,000	$ 600,000
This laboratory provides studies and analytical support to the industrial energy conservation program including surveys of technology results of various national laboratories and matching the results to needs of specific industrial applications.		

Stirling Engine Development

Question: With regard to Stirling Engine development, you have proposed no funding for FY 1985. Does this imply there is no more research and development to do in this area?

Answer: The amount of research and development still to be accomplished in Stirling engine development is highly dependent on applications. For instance, in a stationary application the Stirling engine would not be faced with the severe cost and weight requirements imposed by the automotive application. In addition, many stationary applications have essentially constant speed requirements, greatly reducing the complexity of the control and transient performance demands on system design. In some low power, constant speed applications, such as heat pumps, a much less costly and complicated "free piston" Stirling engine design would be adequate. The technology base already established in the Automotive Stirling Engine Program should be directly usable for these less stringent applications. For the automotive application, more work would be necessary before commercialization could be considered.

Question: If not, for what specific reasons should DOE terminate its role in the development of this engine?

Answer: By the end of FY 1984 sufficient technology development will have been accomplished and adequate test data will be available from MOD I and MOD IA testing, in addition to the results of the industry evaluation, to allow industry to decide whether further commercialization efforts should be carried out.

Question: Doesn't DOE have a role in the design and development of the so-called MOD II Stirling engine?

Answer: The Department believes finalization of a MOD II production design Stirling engine should be supported by industry.

Question: It is my understanding that if DOE does terminate its role in this project there will be associated termination costs. Is this correct?

Answer: It is expected that some termination costs would be involved in closing out our major contracts.

Question: How much do you expect these costs to be and why were they not included in the budget request? How do you propose to meet these costs?

Answer: Based on estimates prepared in FY 1983 by NASA and DOE Procurement Operations, termination costs could amount to between $2.5 and $3.5 million. All contract termination costs are subject to negotiation. If contractor notification is accomplished in a timely manner, these costs, as specified in our contracts, could be funded under our FY 1984 budget appropriation.

Automotive Gas Turbine (AGT) Development

Question: Explain how you would expect development of the AGT to continue should we approve the budget as presented. How much of the proposed $15,000,000 would be used for proof-of-concept work and how much would be used for development of the ceramic components?

Answer: Under the proposed budget, the proof-of-concept engine development activity will be continued with one contractor continuing to integrate qualified ceramic components until final configuration is reached and characterized. A total of $10,000,000 would be used for this proof-of-concept effort. The second contractor team will continue in the area of ceramic component development only in a $5,000,000 effort utilizing existing test cells and engine builds for ceramic component evaluation.

Question: How far along are we in development of ceramic parts for the AGT engine?

Answer: Both contractors have stationary ceramic components operating in their present engine configurations. By the end of FY 1984 both contractors are scheduled to have all ceramic components required integrated into their engine configurations. These engine configurations will not be operational at final design temperatures and speeds at that time. However, it is expected that many of the ceramic components will have been qualified at design performance requirements in test rigs.

Question: Are there areas of ceramic development that have posed particularly difficult problems which we didn't anticipate in earlier development stages?

Answer: Although the automotive gas turbine program has successfully demonstrated the feasibility of ceramic components, some problem areas have surfaced which require additional work.

Question: If so, what are they?

Answer: Two major areas which require additional research and development are ceramic component reliability processing parameters and ceramic component design methodology. Both of these areas are being pursued as part of the parallel Advanced Materials Program.

Question: Are there parts of the AGT engine where we have found ceramics to be unusable, and have instead been forced to find other high-temperature materials as replacements?

Answer: We have not as yet found any components in the AGT engine designs originally planned as ceramic parts where ceramics will not work. For some components, the "best" ceramic configuration (silicon carbide, silicon nitride, composite, etc.) is still under investigation.

Idaho National Engineering Laboratory

Question: It was announced earlier this year that certain EHV research, including in-vehicle dynamometer testing, was going to be transferred to the Idaho National Engineering Laboratory. What is the progress of the transfer of the in-vehicle dynamometer testing to INEL and what is the future of this research?

Answer: INEL has prepared a transition plan and is presently finalizing design modifications to the laboratory in Idaho Falls to accommodate the 2 chassis dynamometers that will be moved from JPL. INEL personnel have been working with JPL to familiarize themselves with the work and to expedite the transition. It is expected that one of the chassis dynamometers will be operational in the INEL facility in August of this year. This activity is considered to be a critical element of the Electric and Hybrid Vehicle Program in that it determines the performance characteristics of all new technologies and identifies those that need further development and those that are ready for integration into field test vehicles. Plans are to continue this research at INEL for a number of years as new technologies for electric and hybrid vehicles become available both from the DOE program and outside of the DOE program.

Question: As you have also proposed to make a number of capital equipment investments to upgrade the testing capability at INEL, do you have plans to expand this or originate other related research at INEL?

Answer: In addition to the in-vehicle dynamometer testing work that requires facility modifications, our current plans are to transfer other battery and vehicle testing activities that are presently being conducted at the Belvoir Research and Development Center to INEL. This will require construction of battery test rigs within the existing laboratory. The intention is to establish INEL as a center of excellence in EV system technology by consolidating many of our vehicle and component related testing activities in one location.

Question: For the record, please provide a list of all new such research activities which are planned at this time by DOE and which could be accomplished at INEL.

Answer: Current DOE plans are to consolidate all testing activities that are being phased out at JPL and the Belvoir Research and Development Center in INEL. This includes in-vehicle battery dynamometer testing, powertrain component testing, powertrain subsystem testing, some battery life cycle testing, and battery durability testing. Other subcontracted work is also planned to provide technical support to the vehicles undergoing fleet testing through the Site Operators User Task Force.

Multi-Sector

For Multi-Sector you have proposed a fiscal year 1985 budget of $26,548,000 a 107 percent increase over the 1984 level of $12,777,000. The principal increase in this activity are seen in the Inventor's Program (+$2,000,000), high temperature materials research (+$2,650,000), catalysts and biocatalysis research (+$1,500,000), and plant and capital equipment (+$3,400,000).

High Temperature Materials

Question: For High Temperature Materials within the Material Sciences activity, you have proposed to conduct a number of research activities, including experiments aimed at joining ceramic materials both with and without brazing materials as well as modeling of ceramic joint inter-facial stresses. These are in fact just two of several areas of research on ceramics done throughout the government, and there is frankly at least some belief that there is considerable duplication of effort among various researchers. Does anyone have knowledge of all the research that is being done in this field, where it is being done, and by whom?

Answer: By way of ongoing efforts of the Energy Materials Coordinating Committee (EMaCC), the Department of Energy coordinates all of its materials research and development programs. This committee is designed to preclude the possibility of duplication of efforts. It functions by sponsoring certain activities, such as contractor coordination meetings, and by preparing an annual report which contains pertinent information on the Department's materials research and development programs. One such coordination meeting was held at the Department in September, 1982, and covered the problems and opportunities in structural ceramics. The meeting consisted of presentations concerning cognizant DOE programs and related work now underway in DOD and NASA, as well as in Germany and Japan; it was documented and made available to the public in a report (CONF-8209111) dated April, 1983. In addition, DOE materials research managers participate in the Committee on Materials (CoMat), an interagency coordinating committee which provides a forum for precluding duplication of efforts throughout the government. While no one individual is ultimately responsible for all ceramics research activities, it is believed that substantial efforts are made to prevent any unnecessary duplication of activities and that appropriate areas of research in this discipline are pursued.

Question: Please submit for the record a list of all such ceramics research including a brief description of the research, the dollar amount associated with the research, the sponsoring government agency, the location the research is being conducted, and the principal researcher responsible for the project.

Answer: A complete list for all ceramics research currently sponsored by the government is not available at this time and to complete such a list would be an undertaking of major proportions, requiring six to twelve months of effort by at least one investigator. However, there is pertinent information available in CONF-8209111, "Energy Materials Coordinating Committee (EMaCC) Contractors Meeting on Problems and Opportunities in Structural Ceramics," dated April 1983, a copy of which is being provided for the Committee files. In addition, all ceramics research and relevant information currently underway for the Department of Energy is recorded in the "Energy Materials Coordinating Committee Annual Report" which is to be available in April 1984. This information has been compiled from that report and is being provided for the Committee files.

Innovation

Question: Under the Innovation activity, you have requested $500,000 in order to issue a competitive solicitation for novel energy conversion concepts, and another $500,000 to issue a competitive solicitation for novel uses of electromagnetic radiation to conserve energy. What processes did you go through in determining to issue solicitations in these two areas?

Answer: The Innovation Program uses an experimental approach to seeking out new ideas for revolutionary ways of saving energy. In its first year, the approach was to try to develop new ideas that would be applicable to only one sector; therefore, the competitive solicitation was for innovative buildings materials. In FY 1985 the approach will still be competitive but will focus on crosscutting, rather than sectoral, research. The idea of looking at energy conversion devices and new uses for electromagnetic radiation came from planning documents and analyses written several years ago. These documents were written in anticipation of any future increase of the ECUT budget so that the program would be ready to investigate new research areas.

Question: Can you give the Committee some specific examples of the types of ideas or projects that will be submitted to DOE as a result of this solicitation?

Answer: The new uses of electromagnetic radiation are an especially interesting area. Our preliminary investigation of this research area shows that electromagnetic radiation is currently used to dry pasta, to kill insects in grain, and to patch asphalt pavement. New uses could be for: defrosting coal in coal cars instead of propane, preventing citrus orchards from freezing instead of using smudge pots during the winter, and drying ink in printing plants instead of using natural gas.

Question: Although the FY 1985 request of $1,000,000 is an 80 percent increase over the 1984 level, isn't innovation an area where we can do far more?

Answer: Yes, certainly innovation is an area that deserves attention. A level of $1,000,000 is the proper funding level to carry out research that will be carefully monitored.

Question: Can you give examples of the kinds of things we can and should be doing in this area?

Answer: One of the most important things is to keep looking for good ideas that need further development. This could be done by solicitations targeted to historically black colleges and universities, patent holders, women-owned businesses, and the national laboratories. The research topic could be sectoral, crosscutting, or a specific technology area. We should also try to foster innovative thinking in our individual programs.

Capital Equipment

Question: For the record, please provide an updated listing of all new capital equipment purchases planned for BCS, Transportation, Industrial and Multi-Sector Activities using fiscal year 1985 and carry-over FY 1984 funds.

Answer: The requested listing follows. No carry-over funds will be used to fund these capital equipment purchases.

BUILDINGS AND COMMUNITY SYSTEMS

Building Systems

Expanded capability of MoWiTT module to permit simultaneous dual-orientation testing	$200,000
Two 176 megabyte disk drives @$18K	36,000
Two tape drives @$22K	44,000

Mobile infiltration and ventilation efficiency measurement system (MIVE)	150,000
Multi-chamber AC pressurization apparatus	50,000
Passive wall thermal performance measurement system	75,000
Field monitor data acquisition system for BECA	50,000
Two Microprocessor data acquisition systems @$5K	10,000
Gamma spectrographic source monitor	10,000
Two continuous radon monitors @$5K	10,000
Field computer system	10,000
Tracer gas field monitoring system	15,000
Ventilation monitoring and data acquisition system	25,000
Sample concentrator	9,000
Portable gas chromatograph with photo-ionization detector	9,000
Data logging system	5,000
Photo-ionization detector, electrometer, and power supply	4,000
Magnetic cassette recorder	5,000
Upgrading of guarded hot plate for testing aerogels in vacuum	20,000
Building monitoring equipment	35,000
Completion of upgrading of calibrated hot box	$ 20,000
Test apparatus for evaluating roof system thermal and moisture transport characteristics under controlled conditions	720,000
Environmental test chamber for flat insulation testing	100,000
Instrumentation for building model test apparatus	$ 50,000
Humidity measurement equipment	18,000
Building energy use monitoring and metering instrumentation	12,000
Computational system for building energy use monitoring	13,000
Infrared scanner	29,000
Recorder for infrared scanner	2,000
Dedicated computer for infrared scanner system	14,000
Glass processing vacuum oven and edge sealing apparatus	50,000
Subtotal	$1,800,000

Federal Energy Management Program (FEMP)

Equipment and instrumentation to be used by Federal agencies in establishing baselines for planning and monitoring shared-savings projects	100,000
Subtotal	$100,000

Technology and Consumer Products

Plasma Diagnostics Laboratory	100,000
Absorption Heat and Mass Transfer Laboratory	260,000
Heat Pump Breadboard Test Facility	35,000
Field Test Data Acquisition Equipment	205,000
Subtotal	$600,000
TOTAL BUILDINGS AND COMMUNITY SYSTEMS	$2,500,000

TRANSPORTATION PROGRAMS

Advanced Materials Development

NDE X-Ray Tomography System	$500,000
Electron Microscope Hot Stage	100,000
Bowder Characterization Equipment and Instrumentation	300,000
LASER REMAN Microscope	200,000
Cermaic Test Speciman Machining and Preparation Equipment	250,000
High Temperature Sintering Furnaces	$450,000
Ceramics Injection Molding Unit	100,000
Ceramics Hot Isostatic Press	100,000
Subtotal	$2,000,000

Electric and Hybrid Vehicle

Automated Cycling and Test Instrumentation for INEL	600,000
Vehicle Data Acquisition Systems Instrumentation	400,000
Subtotal	$1,000,000
TOTAL FOR TRANSPORTATION	$3,000,000

INDUSTRIAL ENERGY CONSERVATION

Waste Energy Reduction

Gas Chromatograph System for evaluation of short life compounds and radicals encountered in evaluation of combustion test operations	$150,000
Oxygen Generating Unit for CO_2 recovery research project	100,000

Spectroscopic Instrumentation for CO_2 recovery research project	150,000
IR Radiation Monitoring Equipment for combustion monitoring for CO_2 recovery research project	30,000
Mass Spectrograph for evaluating reaction compounds for chemical heat pump application	120,000
Non Destructive Test Evaluation System for evaluating the quality and integrity of ceramic heat exchanger components	150,000
Subtotal	$700,000

Industrial Cogeneration

Slurry Concentration Meter for on-line measurement of coal concentration in coal/water slurries for steam diesel project	$850,000
Thermionic Converter Emitter Evaluation System for evaluating work function performance of candidate emitters	$200,000
Slurry Particle Size Optical Evaluator for accurately determining single mode, biomodal, and multi-modal particle size distribution in coal water slurries for the steam diesel project	450,000
Subtotal	$1,500,000

Industrial Process Efficiency

Reactor Instrumentaion Equipment for in-flight combustion of black liquor	100,000
Prototype Sensor Testing Instrumentation for testing sensors developed by DOE-funded research program	100,000
Char Bed Furnace for analysis of oxidation and reduction of char under continuous conditions	100,000
Laboratory Equipment to support black liquor characterization and combustion projects	400,000
Measurement and Data Acquisition Equipment for High Temperature Sensing	191,000
Analysis Equipment and Software for High Temperature Sensing	151,000
Materials Characterization Equipment Fourier Transform Infra-Red Spectrometer	90,000
Equipment for Electrode Development and Current Efficiency	128,000
Electric Arc Furnace Power - performance instrumentation for American Iron and Steel Institute	750,000
Robotic Sampling Mechanism for Molten Steel Analysis	125,000

Echelle Spectrometer for multi-elements analysis using emission spectroscopy	30,000
Improved Laser System for molten metal analysis	35,000
Subtotal	$2,200,000
TOTAL FOR INDUSTRIAL ENERGY CONSERVATION	$4,400,000

ENERGY CONVERSION AND UTILIZATION

Facilities

Phase zero review and design study of requirements for unclassified laboratory and computational facilities dedicated solely to ECUT	$600,000

Capital Equipment

Combustion

Two-component LDV (Laser Doppler Velocimeter) signal processors for Engine Lab (Processors and upgraded computer data storage)	$ 45,000
Single-shot CARS capability for engine experiments (OMA, spectrometer, wavemeter)	55,000
Digitizing Oscilloscope	13,000
Two-component LDV capability for pulse combustion facility (Processors, interface, optics, spectral analyzer, 171 Laser)	85,000
Pulse combustion upgrade for solid and liquid fuel testing (droplet sizing instrumentation and fuel handling)	65,000
Multifuel Combustor System (Instrumentation for liquid fuel spray combustion diagnostics)	300,000
Single-cylinder optical diesel research engine	50,000
Laboratory spray combustion equipment and instrumentation	150,000
OH radical spatial imaging capability for engine knock and future diesel combustion experiments	100,000
Multidimensional imaging capability	75,000
Computer Data Acquisition Hardware	17,000
LDV Instrumentation Upgrade for Combustion Bomb	25,000
Instrumentation for Knock Studies	10,000
Spray Combustor Instrumentation	25,000
Instrumentation for Combustion Emissions	10,000
Subtotal	$1,025,000

Materials Sciences

Atom Microprobe for Materials Characterization	$300,000
Special Magnet for Implanting Monovalent Heavy Ion Species	50,000
High Temperature Microhardness Tester	100,000
Ion Milling Equipment for Near Surface Region	50,000
Laser Surface Treatment Equipment for Ceramics	$100,000
Non-Destructive Evaluation Multi-frequency Ultrasonic Analyzer to Probe Defects at Ceramic Joints	100,000
Environmental Chamber and Detection Apparatus for Synchrotron Light Source	75,000
Subtotal	$775,000

Biocatalysis

Three-Dimensional Colar Graphics Molecular Display	200,000
Tuneable Laser Flow Cytometers	450,000
Subtotal	$650,000

Tribology

Oscillatory, Sliding and Rolling Friction Test Rigs having Environmental Control capabilities and Laser Diagnostics	125,000
Gas Chromatograph/Mass Spectrometer	150,000
Scanning Electron Microscope for Analyzing Wear Surfaces	75,000
Subtotal	$350,000

TOTAL FOR ENERGY CONVERSION AND UTILIZATION TECHNOLOGIES $3,400,000

State and Local Assistance Programs

For the State and Local Assistance Programs, you are proposing a total budget of $252,163,000. This level of effort includes $14,163,000 in program direction to be funded through the Interior Appropriations bill, and $238,000,000 for the schools and hospitals weatherization program ($48,000,000) and the weatherization assistance program ($190,000,000) funded from the proposed Petroleum Overcharge Restitution Fund through the Labor-HHS-Education Appropriation bill. No funds are requested for either the Energy Extension Service (EES) or the Energy Policy and Conservation Grant Program (EPCA Grants).

Question: For what specific reasons did you not request funding for EES and EPCA grants? Haven't the States been successful in implementing a variety of energy conservation programs using these two grant programs?

Answer: Yes, these programs have been successful, and we believe that the States are in the best position to judge their effectiveness and continue them if they so desire.

Question: Would you agree that the savings to the nation achieved by conservation efforts implemented through these programs far exceeds the financial level of effort provided through annual appropriations since these programs began? If a cost-benefit analysis in this regard is positive, then why should Congress agree with your proposal to terminate Federal support of these programs?

Answer: Analysis of the energy savings reported by the State under SECP and the evaluation of EES in 1979 and 1982 showed that the two programs are cost effective.

These programs were initiated in the 1970's to assist the States at a time when the potential for energy conservation was not well understood and neither State and local governments nor the private sector had effective programs. Since that time, the State programs have matured, and their benefits are better understood. Therefore, the Department believes that this program should become a State responsibility, with Federal funds focused on direct assistance to low income families and grants to schools and hospitals, which result directly in improved energy efficiency.

Question: With respect to the EPCA grant program, don't a number of States use a portion of their EPCA grant to implement other conservation programs, including the weatherization program? How many States are in this position? Should Congress agree to zero the EPCA program, will these States not receive weatherization funds until their legislature provide administrative overhead funds?

Answer: Most States do utilize a portion of their EPCA grant funds to support other energy conservation programs. However, the Weatherization program is an exception since most States do not manage their Weatherization program through the State Energy Office. Also, up to five percent of the Weatherization grant may be used for State administrative expenses. However, it is true that other programs depend on the EPCA grants to provide at least a portion of their overhead (e.g., CACS and ICP) as well as the programs carried out under the "Warner Amendment." States have the option, depending on their priorities, to provide funding for their administrative overload.

Petroleum Overcharge Restitution Fund

Question: Provide a detailed explanation of the reasoning behind the Petroleum Overcharge Restitution Fund proposal and the timetable in which the legislation was first conceived and ultimately submitted to the Congress. Please include in this explanation your reasoning behind making the Department of Health and Human Services the lead agency for handling the funds for these conservation and assistance programs. What do we gain by requiring another level of administration by HHS for the two conservation programs under the control of DOE?

Along this same line of thinking, your proposal requires the Labor-HHS-Education Appropriations Subcommittees to be responsible for the funding for the three grants. What was your thinking behind this suggestion? Why would you want to send legislation to us which essentially pits one subcommittee against another? Why didn't you propose the legislation to allow each subcommittee to fund its own programs from the Overcharge Fund, rather than have one do it all?

Answer: For a number of years, there has been considerable dispute over the most appropriate means of distributing certain funds collected by the Department of Energy in settlement of overcharges resulting from alleged pricing and allocation violations under the Emergency Petroleum Allocation Act of 1973. Approximately $1.189 billion of overcharges has been recovered through settlement agreements. Of this amount, approximately $575 million has been disbursed, of which approximately $101 million went to the U.S. Treasury.

The remaining funds, more than $600 million, have been held by the Government in deposit fund escrow accounts in the U.S. Treasury pending the determination of proper distribution. Of that amount, $200 million was distributed to the States last year for use in specific energy programs under the Warner amendment (section 155 of Public Law 97-377). As of December 31, 1983, there was more than $420 million (including interest) in the escrow accounts, of which $394 million is currently the subject of formal administrative proceedings to afford claimants an opportunity for a hearing as to whether they were injured. There are estimated potential additional recoveries of approximately $5 to $6 billion, either through settlements or litigation. In one pending case, a court has ordered nearly $1.7 billion disbursed to the States. In another, overcharges totaling more than $1 billion (including interest) have been found. That court has referred the case to the Department for findings of fact as to whether injured claimants can be identified before the court fashions a restitutionary remedy.

The mandatory petroleum price control program was in effect until January 1981, when President Reagan ended price controls on petroleum products. In enforcing the program, the Department's Economic Regulatory Administration performed audits to identify violators of the regulations, and if it believed violations occurred, brought enforcement actions against them. The cases often were resolved through consent orders with the companies. The consent order might provide for various types of remedies, including direct cash refunds to customers. If it was difficult to identify the injured parties, the consent order might specify an amount to be paid into an escrow account, until a just and equitable method could be determined for distributing the funds to parties who were overcharged. Those determinations frequently have been very difficult because petroleum products may have been bought and resold several times with limited information available about the extent to which overcharges were passed on to subsequent purchasers.

Various types of factual situations, often extremely complex, have led to overcharges. When particular customers who bore the burden of demonstrated overcharges can be identified, we have a duty under existing law to direct refunds to them when it is practical. In cases where the overcharged customer was an end-user of the petroleum product, it generally is relatively easy to make restitution. More commonly, however, the overcharged customer is merely one link in the distribution chain and is likely to have passed on the overcharge. Under the "old oil" allocation (entitlements) program, for example, crude oil overcharges automatically and by operation of law first were passed on to all domestic refiners. The regulations then allowed the refiner to pass those costs down the distribution chain. Often, therefore, it may be impractical, if not impossible, to determine whether and to what extent firms in the chain actually may have absorbed, rather than passed on, any of the overcharges.

In circumstances where the economically injured parties could not be identified or distribution to injured parties was not practical, the Department over the years employed a variety of forms of indirect restitution as a means of affording general compensation to persons thought to have been affected adversely by alleged overcharges. These remedies have included company administered claims funds, price rollbacks, payments in the form of crude oil provided to the strategic petroleum reserve, price reductions on fuel sold to utilities and transportation entities, payments to low-income heating oil consumers through charities, payments to State governments for general energy purposes, and payments directly to the U.S. Treasury.

Adding to the difficulty in fashioning appropriate overcharge remedies is the fact that while the statutes from which the Department draws its authority concerning remedies speak generally in restitution terms, they do not provide policy guidance as to the specific forms restitution should take in cases in which it is not feasible to make restitution to the specific persons injured by an alleged overcharge. A majority of overcharge cases fit that description. Until the enactment in 1982 of the Warner amendment, which provided for a one time distribution of $200 million to the States for certain energy programs, there was no congressional guidance as to which remedies might be preferred as a matter of public policy. Disputes over the appropriate method for disbursing indirect restitution have resulted in protracted and costly litigation.

In one recent major case, known as the Exxon case, the court fashioned its own remedy. In that case (now being appealed by Exxon), the court ordered that the overcharge amounting to nearly $1.7 billion (including interest) be made available directly to the States for distribution to consumers under five specific federal energy programs. The court's decision in that case could be interpreted as a judicial assumption of a legislative and executive branch function -- providing funds (more than eight times the amount covered by the Warner amendment) to carry out Federal programs without going through the normal legislative process.

We believe that indirect restitution resulting from overcharges should, as a matter of policy, be subject to congressional direction and processes. It is the Congress, rather than the courts, which should determine spending priorities for federal programs. We strongly support distribution of indirect restitution through the States in the manner set forth in S. 2370 and H.R. 4972 because the States are in a better position to ensure that their consumers affected by overcharges receive the benefits of the restitution and because the traditional congressional and executive roles in providing funds for federal programs would be preserved. Given the large amount of potential recoveries, the extreme difficulty in arriving at an appropriate remedy, and the protracted and costly litigation with uncertain results, congressional guidance in statutory form is both necessary and desirable. To that end, we strongly urge enactment of this legislation.

What The Legislation Does

The legislation resolves the problem of finding the most appropriate method of disbursing overcharge funds not needed for direct restitution. It does so by establishing a rational, orderly, restitutionary procedure for disbursing overcharges now held in escrow and to be received in the future. It would provide a single remedy to eliminate uncertainty and inconsistent results. It also would provide clear congressional guidance to the courts regarding indirect restitution and would reduce, if not eliminate, the time-consuming and costly litigation over appropriate remedies. In addition, it also would authorize continuation, during the interim period that the Department holds overcharges in escrow, of the placement of a portion of the escrow amounts with minority-owned banks and thrift institutions. To date, approximately $27 million has been placed with minority-owned institutions pending final disbursement of the escrow funds. This highly successful, short-term program provides capital for use in communities throughout the country that are served by these minority-owned institutions. To achieve those purposes the legislation contains the following major provisions:

- o Establishes an orderly, step-by-step procedure for distributing overcharge amounts now held in escrow and amounts received in the future as a result of settlements, orders, and judgments.
    - -- in the first phase, the Department of Energy attempts to identify persons who sustained economic injury and to ascertain the amount of injury sustained in order to provide direct restitution.
        - o It is contemplated that the Department's Office of Hearings and Appeals will perform this function using its special refund procedures (10 C.F.R. 205, Subpart V). This phase would not be used to duplicate prior proceedings where an existing order or judgment rests upon a determination that it is impossible or impractical to identify or make direct restitution to the persons who sustained economic injury.
    - -- in the second phase, amounts that exceed those needed for direct restitution, or amounts that cannot be refunded, are deposited in the Petroleum Overcharge Restitution Fund established in the U.S. Treasury by this Act.
    - -- in the third phase, beginning in fiscal year 985, indirect restitution is provided by making Fund assets available to the States for distribution under three programs:
        - o Low Income Home Energy Assistance Program administered by Department of Health and Human Services.
        - o Weatherization Program administered by Department of Energy.
        - o Schools and Hospitals grant program administered by Department of Energy
- o Provides clear guidance to courts in pending and future cases.

- directs a court to require payment of restitutionary amounts to Department of Energy for distribution in accordance with this Act when the court finds for the government in an overcharge case.

o Provides congressional direction and involvement.

- authorizes fiscal year 1985-89 appropriations for low income home energy assistance, weatherization, and schools and hospitals grants at fiscal year 1984 level.

- provides that appropriations made available for those programs shall be derived from the Fund to the extent amounts are available in the Fund; if the Fund assets are insufficient, the balance of appropriations will be made available from the general fund of the Treasury; and as additional amounts are placed in the Fund, they shall be used for repayment to the general fund.

o Authorizes continued placement of escrow amounts with minority-owned banks and thrift institutions pending final distribution under the Act.

Benefits of Distributing Overcharges Through the States

A key feature of this legislative proposal is the disbursement by the States of indirect restitution for overcharges. In contrast with past and proposed alternative remedies, making the overcharges available to the States in the manner proposed would foster the restoration of the traditional balance among State, local, and Federal governments by returning authority responsibility, and revenue resources to the States. The States, being closer to the people, are in a better position to ensure that the end-use consumers within their jurisdictions, who had no opportunity to pass on the overcharges, receive the benefit of this indirect restitution.

Disbursement by the States under existing energy programs provides the most efficient and effective method of administering overcharge distribution. Moreover, the three earmarked programs generally benefit energy consumers by helping to reduce energy demand and energy costs through weatherization, finding alternative energy sources for schools and hospitals, and promoting energy conservation. This proposal continues the indirect restitution approach used successfully in several earlier consent orders and under the Warner amendment. It does so subject to continuing congressional oversight and involvement without imposing heavier burdens on the taxpayer and the Treasury.

I believe that disbursing overcharge funds to the States in the manner set forth in this proposal is the best way of resolving a difficult problem that has caused much controversy. I look forward to working with the Congress in obtaining the earliest possible enactment of this legislation.

The proposal was drafted in the fall of 1983, was reviewed extensively within the Administration, and was submitted to Congress on February 29, 1984. Its development coincided with development of the FY 1985 budget.

The overcharge legislation (S. 2370 and H.R. 4972) is silent on the question of which agency -- the Department of Health and Human Services (HHS) or DOE -- has the lead in handling the funds for the three programs mentioned in the legislation. Although the legislation includes a section authorizing appropriations for DOE's weatherization and schools and hospitals grant programs and the HHS low income home energy assistance program for fiscal years 1985 through 1989, it does not address and is not intended to affect the administration of those programs. DOE will continue to implement the two programs under its jurisdiction without assistance from or additional administration by HHS.

For budgetary and accounting purposes, under the President's FY 1985 budget, the Petroleum Overcharge Restitution Fund would be located in HHS, which would transfer to DOE the amounts appropriated by Congress and derived from the Fund to carry out the two DOE programs. In formulating the overcharge legislation and the appropriations language accompanying the budget, we considered carefully the potential impact on congressional committee and subcommittee jurisdiction and tried to be as accommodating as possible in that regard. Our principal objective with respect to administration of the Fund is to achieve uniformity and consistency, efficiency, and accountability. The best means of reaching that objective is to have one agency, rather than two, account for disbursements from the Fund. Because the HHS low income home energy assistance program is by far the largest of the three programs (more than eight times the dollar amount of the two DOE programs combined), it is logical to house the Fund in HHS. The transfer of funds from HHS to DOE is merely a ministerial function which should not delay implementation of the DOE programs. Interagency transfers of funds are not unusual and are handled expeditiously. Although it would have been possible to structure the budget in accordance with the desires of the various subcommittees, we believe that the wisest course of action to facilitate efficient administration and accountability of the Fund is to manage it within one Department.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

Petroleum Overcharge Restitution Fund

Question: Mr. Collins, the Fiscal Year 1985 Conservation Budget assumes two legislative proposals of some concern to the Committee. The first of these is the Administration's plan to establish in the Treasury a "Petroleum Overcharge Restitution Fund," or "Kitty" as some have called it. What is the purpose of funding the DOE Weatherization and Schools and Hospitals Programs, as well as the Low-Income Home Energy Assistance Program, with the indirect resititution funds collected from companies as a result of petroleum pricing violations?

Answer: Our first priority in disposing of overcharge funds that we collect is to attempt to identify those who suffered direct economic injury from the overcharge and provide refunds to them. Based on historic trends, about 20 percent of the overcharge escrow funds have been needed to satisfy claimants. When it is not possible or practical to provide direct restitution, for example, when the scope of the overcharge was nationwide and the injury was borne by end-use consumers generally, we try to fashion an appropriate indirect restitution remedy. Over the years a multitude of indirect restitution remedies have been devised through settlements, administrative and judicial litigation, and congressional action.

Given the huge dollar value of potential additional recoveries ($5 to $6 billion) over the next several years, and in order to ensure uniformity and consistency, we believe that congressional direction to the Department and the courts is both necessary and desirable with respect to the form that indirect restitution should take. In our view, the best approach to indirect restitution is one that utilizes the States to provide indirect restitution to their citizens under existing energy programs. Inasmuch as the overcharges arose from an energy program, the remedy should involve energy programs in order to be restitutionary in nature. The low income home energy assistance program in the Department of Health and Human Services, and the weatherization and schools and hospitals grants programs in DOE meet that test.

Disbursement by the States under existing energy programs provides the most efficient and effective method of administering overcharge distribution. Moreover, the three earmarked programs generally benefit energy consumers by helping to reduce energy demand and energy costs through weatherization, finding alternative energy sources for schools and hospitals, and promoting energy conservation. This proposal continues the indirect restitution approach used successfully in several earlier consent orders and under the Warner amendment. It does so subject to continuing congressional oversight and involvement without imposing heavier burdens on the taxpayer and the Treasury.

Question: Why would monies collected in this proposed fund be appropriated to the Department of Health and Human Services, with weatherization and schools and hospitals funding of $238 million to be passed through to DOE for operation of these two programs?

Answer: In determining how the Fund should be administered, we essentially had two choices. Because the programs authorized by the overcharge legislation are located in two Departments, we could have recommended either that both Departments draw directly from the Fund to satisfy appropriations for their programs or that one of them be the lead agency in handling the initial distribution of monies from the Fund. In order to achieve uniformity and consistency efficiency, and accountability in administering the Fund, the latter course of action was selected. Because the HHS low income home energy assistance program is so much larger than the DOE programs (more than eight times the dollar value of the two DOE programs combined), the Fund was placed in HHS for budgetary and accounting purposes, with a provision for transfer to DOE of monies appropriated to carry out the DOE weatherization and schools and hospitals grant programs.

Question: If funds are proposed to be appropriated to the Department of Health and Human Services on the justification that all three programs are really social service in nature, then why hasn't the Administration simply proposed to transfer the programs (weatherization and schools and hospitals) themselves to Mrs. Heckler's Department?

Answer: The Administration's funding proposal is that monies appropriated for the three programs be derived from the overcharge Fund. The reasons for proposing that HHS administer the Fund are discussed in the answer to the preceding question.

Our principal objective was efficient operation and management of the Fund.

Question: Shouldn't the Interior Appropriations Subcommittee take offense that the Administration's proposal would transfer funding jurisdiction for the weatherization and schools and hospitals programs to the Labor-HHS Subcommittee?

Answer: We hope that the Subcommittee does not take offense. No slight is intended. Although we tried to accommodate the desires of various congressional committees and subcommittees in the development of this legislation, we are not in a position to, nor do we wish to, control either the process by which the Congress considers the legislation or the jurisdiction of the various committees and subcommittees.

Question: Some officials within the Administration had proposed that the indirect restitution fund be applied directly to the Treasury, thereby off-setting a portion of the deficit. Since Congress has consistently funded the weatherization, schools and hospitals, and Low-Income Home Energy Assistance programs at approximately the same level as is now proposed from the PORF account, on balance, how is your pending legislative proposal any different than simply turning the indirect restitution funds over to the Treasury?

Answer: Depositing overcharge funds into miscellaneous receipts in the U.S. Treasury is one of the many indirect restitution remedies used in the past. We believe, however, that inasmuch as the overcharges arose from an energy program, that any restitutionary remedy likewise should be directed to energy programs. By earmarking the HHS low income home energy assistance program and DOE's weatherization and schools and hospitals grant programs, S. 2370 and H.R. 4972 meet that objective. At the same time, the proposal would help to reduce the Federal deficit while imposing the least burden on the taxpayers who, in the final analysis, provide the funds to carry out the programs.

Employment Floors

Question: Mr. Collins, do you intend to fully comply with laws relating to the Conservation program? Well, the second legislative proposal calls for the abolition of employment floors established in Public Law 97-257 and subsequently modified by Public Law 98-63. Your present mandated employment levels are 154 for Conservation R&D, 189 for State and Local Programs, and 18 for other, administrative positions. The total employment floor for Conservation programs is 352; however, only 327 positions are filled at the present time, a shortfall of 25 filled positions. Non-compliance with this law has been a persistent problem with the Conservation Office. Who is responsible for the continuing violation of this law? Given the Department's non-cooperation on this matter, why should we consider the proposed legislation?

Answer: The Department of Energy intends to comply fully with all laws pertaining to our programs. Our budget and program plans for FY 1984 anticipate that we will achieve the employment levels specified in the floors. We have been actively recruiting to fill all the positions in our Conservation programs. This has included several want ads in the Washington Post, Norfolk and Roanoke, Virginia newspapers, and several technical journals including the Hearing and Air Conditioning Journal, ASHRA Journal and the Engineering Journal. We have had very poor response to these ads, but are continuing to actively recruit and we are filling positions.

For FY 1985, the Department's program plans and budget request assume that the employment levels specified by the floors are not necessary for the effective management of these programs. Consequently, the Department has proposed legislation to restore its flexibility to utilize its staff where work requirements demand.

Question: Last year, when the Warner Amendment and Jobs Bill provided approximately $350 million in incremental funding for State and Local Programs, the Conservation Office sought 36 additional positions for the increased grants awards and monitoring activites. The program never received those additional positions. Who stopped this request from going into effect?

Again the Fiscal Year 1985 budget assumes a substantial reduction in staffing for the Weatherization and Schools and Hospitals programs, even though the workload in Fiscal Year 1985 is projected to be the same as in Fiscal Year 1984. The remaining staff would reportedly be supplemented with expensive contractor staffing.

In view of this inefficiency and the apparent inability of the Conservation Office to secure necessary and efficient levels of Federal staff, why should the employment floors be removed?

Answer: The additional funding provided for State and Local Programs from the Warner Amendment and the Jobs Bill had its main impact on workloads during the latter half of FY 1983. Additional staffing was discussed; however, the Administration and the Department finally determined that adding supplemental staffing to meet what can be best described as a spike in an otherwise relatively level workload would not be required.

Funding levels for State and Local Programs are proposed to remain constant from FY 1984 through FY 1985 while Federal staffing requirements decrease by 30 FTEs. This staffing reduction is the direct result of the termination of the State Energy Conservation Program (SECP) and the Energy Extension Service (EES). There is no intention of replacing Federal staff with contractor staff. Any use of contractor services for any of these activities would be done on the basis of having the work performed at a lower net cost to the Government.

With regard to your concern about our ability to recruit and retain adequate Federal staff, the State and Local Programs staffing has been maintained at or very near the mandated 180 level since April 1983.

Program Direction Funding

Question: Do you plan to conduct any Reduction-in-Force in the Conservation program in Fiscal Years 1984 and 1985?

Your Fiscal Year 1985 budget requests $3,104,000 for Buildings and Community Systems program direction. Why is this amount of $196,000 above the FY 1984 level when the proposed employment level drops from 71 positions to 60 over the same period?

Please elaborate on similar apparent inconsistencies in the Industrial, Transportation, State and Local, and Policy Management programs.

Answer: We do not intend to conduct a Reduction-in-Force in FY 1984 or FY 1985. We believe the reduction in our FY 1985 staffing levels can be handled by attrition. Of course, the FY 1985 budget request is based on the assumption that the employment floors will be removed through legislation and that energy conservation staffing would be adjusted to levels consistent with the programs identified in the request. The increase of $196,000 in the program direction FY 1985 request is for payments for the former Federal employees who would be leaving, for additional travel requirements for on-board staff to better monitor field programs, and for increased training requirements. Similar requirements are needed by the Industrial, Transportation, State and Local, and Policy and Management programs.

Advanced Gas Turbine Engine R&D

Question: The FY 1985 budget requests a total of $15 million for the Automotive Gas Turbine Research and Development Program. How much of this amount is earmarked to continue one engine to its complete configuration and testing and how much is estimated to continue the second contractor on a component development basis?

Answer: In the FY 1985 budget request for the Automotive Gas Turbine Research and Development Program, $10,000,000 is planned for continuation of the proof-of-concept complete engine program and $5,000,000 is planned to continue the second contractor in a ceramic component development effort.

Question: Assuming that the program is restructured in the manner proposed, what are the future federal funding requirements for the one complete engine and what are the future costs for the second, reduced scope contract?

Answer: As part of our ongoing contract management activities, both contractors are in the process of updating their estimates to complete at this time. Based on past estimates, maximum future federal funding requirements for completion of the program in FY 1986 in the restructured manner proposed will be an additional $10,000,000 for the complete engine program and $5,000,000 for the reduced scope ceramic component program. It is expected that updated estimates to complete will result in potential reductions in these requirements.

Question: What percent of the AGT effort has been achieved to date?

Answer: It is estimated that the AGT effort has met between 60 and 65 percent of its technical objectives to date.

Question: Considering the advanced state of development of both the AGT 100 and AGT 101 programs and the relatively small amount of work remaining to be accomplished on each engine, isn't it likely that if one engine is dropped, the losing contractor will continue to develop that engine privately, outside the DOE program?

Answer: Although the contractors have not specifically been questioned on that option, it does seem reasonable that the losing contractor would seriously consider continued development of their engine with company funds. Such a decision would, of course, be dependent on economic, marketing and technological factors at that time.

Question: Would any subsequent knowledge developed by the losing contractor be lost to the Federal program?

Answer: Since it has always been assumed that subsequent commercialization of an automotive gas turbine propulsion system would require a new design of a production engine, subsequent knowledge developed by the losing contractor focussed on engine design would not have a major impact in the Federal program. The important technology developments in ceramic components would be available to the automotive industry.

Question: Would it be practical to continue both engines with the $15 million available, insist on the same program schedule, and demand a higher level of cost sharing if either company is to continue with the Federal AGT effort?

Answer: Although it would be possible to continue both engine programs with the $15 million requested in the budget if both contractors increased their level of cost sharing, contractual commitments would not allow insistence on such action, particularly combined with adherence to schedule.

Coal Based Technologies

Question: Please provide for the record a brief description of all projects in the Fiscal Year 1985 budget which relate to coal utilization in any manner. Indicate for each project the amount included in the Fiscal Year 1985 budget, the amount spent in prior years, any future year assumptions along with a brief description of the technology.

Answer: The following projects in the FY 1985 budget relate to coal utilization. The funding is provided in millions of dollars.

Industrial Energy Conservation

1. Advanced Slagging Burner: This project involves the development of novel coal combustors that can retrofit existing oil-fired industrial boilers and heaters without baghouses. The project is jointly funded by Fossil Energy and is managed by the Pittsburgh Energy Technology Center.

Prior Years	FY 1985	Future
$2.3	$0.9	$2.0

2. Coal-Water Slurry-Fired Diesel Cogeneration System: This project covers research and development of a slow speed diesel engine that operates on coal/water mixtures to provide high electrical to thermal output for topping cycle cogeneration systems.

Prior Years	FY 1985	Future
$2.53	$1.0	$8.3

3. Externally Coal-Fired Brayton Cogeneration System: This project provides for the research and development of a coal-fired fluidized bed air heater and a topping combustor for providing hot clean gas for use in a gas turbine cogeneration system for high electrical to thermal output for topping cycle cogeneration systems.

Prior Years	FY 1985	Future
$4.45	$1.2	$13.4

4. Fully Automated Small Solid-Fuel Combustors: There is a large potential for use of small boilers in district heating and cooling systems in the U.S. Currently gas and oil boilers which require minimal amount of staff for operation and maintenance are being used. Solid fuel (coal) combustors, which save scarce oil and gas resources, could replace the gas and oil boilers. However, existing solid fuel units require four to five times as much manpower for operation and maintaining as do gas or oil boilers. The requirement for additional manpower is a major impediment to the use of small, solid fuel combustors. Our current plan is to support development of the technology needed by industry to develop a fully automated, with self contained feed system and clean-burning solid fuel combustor which operates at competitive cost.

Prior Year	FY 1985	Future
$0.01	$0.15	$0.3

SUBCOMMITTEE RECESS

Senator McCLURE. The subcommittee will stand in recess until 9 a.m., Thursday, March 8 when we will review the fiscal year 1985 budget request for the Indian Health Service.

Mr. COLLINS. Thank you very much, Mr. Chairman.

[Whereupon, at 4:41 p.m., Tuesday, March 6, the subcommittee was recessed, to reconvene at 9 a.m., Thursday, March 8.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1985

THURSDAY, MARCH 8, 1984

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 9:05 a.m., in room SD–138, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senator McClure.

INDIAN HEALTH SERVICE

HEALTH RESOURCES AND SERVICES ADMINISTRATION

STATEMENT OF ROBERT GRAHAM, ADMINISTRATOR

ACCOMPANIED BY:

- **EVERETT R. RHOADES, DIRECTOR, INDIAN HEALTH SERVICE**
- **MILBURN H. ROACH, ASSOCIATE DIRECTOR FOR ADMINISTRATION, INDIAN HEALTH SERVICE**
- **WILLIAM R. BELDON, ACTING DIRECTOR, HEALTH BUDGET ANALYSIS, DEPARTMENT OF HEALTH AND HUMAN SERVICES**

PREPARED STATEMENT

Senator MCCLURE. Good morning. This is the time scheduled to review the fiscal year 1985 budget estimates for the Indian Health Service. The budget request for IHS totals $741,950,000, a decrease of $83,053,000 below fiscal year 1984 appropriations to date. Also pending is a request of $6,904,000 for pay costs to be funded by a transfer of funds from health resources and services.

Dr. Graham and Dr. Rhoades, it is a pleasure to welcome you again before our committee. Your opening statement will be included in full at this point in the record. If you will please introduce those at the table with you, we will proceed directly to the questions.

[The statement follows:]

STATEMENT OF DR. ROBERT GRAHAM

I am Dr. Robert Graham, Administrator of the Health Resources and Services Administration. With me are Dr. Everett Rhoades, Director of the Indian Health Service, and Mr. Howard Roach, Associate Director for Administration, Indian Health Service; and Mr. William R. Beldon, Acting Director, Health Budget Analysis, for the Department of Health and Human Services. We are pleased to be here today to discuss with you and your Committee the Fiscal Year 1985 budget request for Indian Health programs.

FY 1985 marks the thirtieth year since Congress transferred the responsibility for Indian health programs from the Department of the Interior to the Public Health Service.

When the transfer took place in 1955, the Division of Indian Health, as it was first called, was comprised of a small corps of dedicated health professionals combating illnesses and premature deaths in a population of approximately 348,000. Health services were primarily curative and the focus of the program was directed at acute infectious diseases.

In FY 1985, the IHS will provide comprehensive health services to a population of approximately 931,000 through a system of 47 hospitals with outpatient departments, 84 health centers and more than 300 field health stations staffed by over 10,000 skilled and dedicated women and men and through over 1,500 contracts with private providers. In addition, tribes now operate four hospitals and over 250 health clinics through contracts with the IHS. Today, a primary focus of the IHS comprehensive health programs is the provision of preventive health services delivered through a community oriented approach.

The goal of elevating the health status of the American Indian and Alaska Native people to a level at parity with the rest of the population has remained constant over the past 30 years. The mission is undergoing modification to more accurately reflect the need to prevent premature mortality, to prevent excess morbidity, and to improve the quality of Indian life. To fulfill this mission, the IHS will continue to: (1) provide and/or assure the availability and accessibility of high quality health services; (2) provide increasing opportunities for Indian people to manage and operate their own health programs; and (3) serve as an advocate for Indian people in health related matters.

I would like to take this opportunity to recount to you some of the program accomplishments since 1955 which the IHS, Indian people, and the Congress, as partners, have achieved. Since 1955:

1. 30 hospitals with outpatient departments, 30 health clinics, and 58 field health stations have been constructed to provide new or replace inadequate, unsafe and non-accredited hospitals and clinics and to assure the availability and accessibility of health services.

2. Annual admissions to IHS and contract hospitals have more than doubled; outpatient visits have increased

approximately eight times; and the number of dental services provided is 10 times as great.

3. The infant death rate has decreased by 77 percent and the maternal death rate by 86 percent; the death rate resulting from pneumonia and influenza has decreased by 73 percent; and death from tuberculosis has been reduced by 94 percent and the incidence of new active tuberculosis has been reduced by 84 percent.

Over the past 15 years, the IHS has undergone tremendous changes caused by a combination of legislation, budget and program redirection, increased Indian involvement and tribal management, judicial rulings, and increasing demand for health services. In 1970, the President sent a message on Indian affairs to the Congress which emphasized the need to establish and strengthen the Federal-Indian relationship. The enactment of the Indian Self-Determination and Education Assistance Act (P.L. 93-638) in 1975 and the Indian Health Care Improvement Act (P.L. 94-437) in 1976 represented almost a decade of effort to establish a framework within which Indian people can effectively decide their role in health programs developed to serve the Indian community. Public Law 93-638 provides the mechanism and P.L. 94-437 provides the authorization for resources to make Indian self-determination a reality.

On April of 1980, the National Plan for the improvement of health care to Indian people was submitted to Congress which identified the additional resources which would accomplish the goals defined in P.L. 94-437. A major outgrowth of the National Plan was the health services priority system which arrayed the tribes into five levels of resource deficiency.

The Congress responded to this plan by establishing the equity health care fund in FY 1981. The intent of the equity health care initiative is to provide priority funding to those tribes with the greatest level of resource deficiency. We are achieving the FY 1984 goal in bringing all tribes to Level III.

The authorities and resources received from P.L. 93-638 and P.L. 94-437 have made possible some dramatic improvements in the past decade. Several examples of the accomplishments are highlighted below:

1. The IHS has established and administers an Indian oriented health manpower program designed to support the broad objective of eliminating health manpower shortages in all health care areas affecting the IHS.

2. A comprehensive mental health program has been developed and substantial progress toward the integration of alcohol treatment within a community-oriented comprehensive health delivery system has been achieved.

3. There is increased access to Medicare and Medicaid benefits for many Indian people. The targeted use of these reimbursements has dramatically aided the IHS facilities, capability to meet accreditation standards. Currently, 38 of the 47 hospitals operated by the IHS and

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3. There is increased access to Medicare and Medicaid benefits for many Indian people. The targeted use of these reimbursements has dramatically aided the IHS facilities, capability to meet accreditation standards. Currently, 38 of the 47 hospitals operated by the IHS and

all hospitals operated by the tribes are accredited by the Joint Commission on Accreditation of Hospitals.

4. In addition to the four tribally operated hospitals and over 250 health clinics, almost all tribes operate portions of health programs such as alcoholism, mental health, community health aide, contract health care and environmental health service programs.

5. Tribes are also contracting to design and construct health facilities and quarters and essential water and sewer facilities have been provided to 25,700 Indian homes.

These accomplishments have been achieved during a period of rapid expansion and growth of the IHS program. The increase in the level of services, the intensification of Indian self-determination efforts, the institution of new programs and overall program growth has placed an extreme demand on IHS management. Since 1980, two external studies as well as an internal task force, have identified specific problem areas and have made recommendations for improvement. In order to keep pace with the requirements of this dynamic and growing health delivery system and in response to these studies, the IHS has initiated review and action on many of the recommended changes and continues to examine alternatives for more efficient management.

In FY 1983, and continuing in FY 1984, the IHS intensified a process of ongoing oversight of the IHS programs from a clinical and management perspective. As a result of this process, the IHS has implemented actions for improving management capabilities, improving resource allocation methodologies, more efficiently processing claims for payments improving procurement procedures, and maximizing third party resources.

Specific actions which have been initiated include:

1. A test was conducted to evaluate the proposed resource allocation methodology. Upon review of the results of this test, the IHS has determined that the methodology is sound. In FY 1984, this methodology was utilized to distribute $41.8 million of program increases (hospitals and health clinics, contract health service and tribal support funds) to the area/program offices. This resource allocation formula will be further analyzed and refined to insure a more equitable distribution of resources.

2. The registration data system was implemented on January 1, 1984. The data from this system will aid the IHS in more accurately identifying the eligible population.

3. The IHS completed a five year strategic information system plan for management information from all levels of disciplines and programs. Information system planning supports the request for ADP resources.

4. Area and program office reviews have been restructured and reinstituted to improve management capability. Three area offices will be reviewed during FY 1984.

5. On October 1, 1983, the IHS began collecting reimbursement from Medicare under the Prospective Payment System using Diagnostic Related Groups. An automated billing process was initiated late in FY 1983 and development will continue through FY 1984. In FY 1985, the IHS will use the improvements in the billing and registration system to collect approximately $55.4 million from Medicare and Medicaid and $4 million from other third party resources.

6. Contract health service audits have been reinstituted to review and monitor payments made to private providers.

7. In FY 1984, the administrative structure of the IHS headquarters has undergone a reorganization designed to adjust this structure to the current requirements and demands of the program.

Over the past 30 years, the Congress, the Indian people, and the IHS have shaped a unique health care delivery system which is responsive to the needs of the American Indian and Alaska Native people. Public Law 94-437, and its Amendments were seen by the Congress as effort to overcome existing deficiencies in Indian health care. The provisions were designed to maintain a health system For providing high quality and quantity health services to Indian people. This act has made it possible for the Indian people and the IHS to achieve many improvements in the health of the American Indian and Alaska Native people.

For fiscal year 1985, the Administration is requesting obligation authority for the IHS of $809 million for services, which incorporates the IHS administrative reforms. This will enable us to maintain the traditional Federal role in delivering health care to the Indian people. The provision of basis inpatient and outpatient medical services will continue as the highest IHS priority.

In fiscal year 1984, we anticipate that our initiative to increase collections for services from insurance and other sources to supplement the appropriations will yield approximately $40 million from Medicare and Medicaid. The proposal in the President's budget would result in expanding Medicare and Medicaid collections to $55.4 million as well $4 million in collections from insurers who cover Indians and their families.

In addition to the annual appropriations request, increased collections from reimbursements will result in increased IHS flexibility to maintain existing health services levels despite the increasing cost of medical care. Such additional support will strengthen efforts to improve the health status of the Indian people, while assuring that third-party payers reimburse for covered health services.

With regard to Indian health manpower, the FY 1985 budget includes support of 66 students in the Health Professions Preparatory Scholarship program, 350 students in the Health Professions Scholarship program, and 50 students in the extern program.

With regard to Indian self-determination, let me assure you that the IHS will continue to assist the tribes to assume the responsibilities for health services through the P.L. 93-638 authority.

This concludes my opening statement. We will be glad to answer any questions you may have.

INTRODUCTION OF ASSOCIATES

Dr. GRAHAM. Thank you, Mr. Chairman. In addition to Dr. Rhoades and myself, on our right is Mr. William R. Beldon the Director of Health Budget Analysis, Department of Health and Human Services. On Dr. Rhoades' left is Mr. Howard Roach, Acting Associate Director, Indian Health Service.

PAY COSTS APPROPRIATION TRANSFER

Senator MCCLURE. Thank you very much.

As I just mentioned in opening, your pay costs are proposed to be funded by a transfer of unobligated balances in the health resources and services account. This account falls under the jurisdiction of the Subcommittee on Labor and Health and Human Services. Were I chairman of that subcommittee, I would think twice about funding pay costs associated with a program for which the subcommittee is not responsible.

Have you any indication from either the House or Senate Labor-HHS Subcommittees regarding their willingness to go along with this proposal?

Dr. GRAHAM. I appeared before the House subcommittee last week. Although this subject did not come up in our testimony, I have no indication that there is any particular problem on that side. I might refer to Mr. Beldon as to whether or not he anticipates any problem.

Mr. BELDON. We proposed that a portion of our pay raise last year come from the same source of funds, unobligated balances, which was accepted by that committee last year.

Dr. GRAHAM. I believe this is an area where, although technical, there is precedent for those committees to look with favor on the use of such unobligated balances for the general use of the Public Health Service programs.

Senator MCCLURE. I hope you will check that a little further. My understanding is that there is more than just slight reluctance to do it.

Dr. GRAHAM. In that case, I appreciate your warning.

Senator MCCLURE. The proposed supplemental is only about one-half of that provided last year for pay costs. What is your total fiscal year 1984 pay requirement, and from what source do you plan to absorb the difference?

Dr. RHOADES. Senator McClure, the projected pay requirement, in addition to the base pay for 1985, is $8.4 million. The budget requests $6.9 million. We anticipate the difference of $1.5 million will be achieved through lapsing of positions, travel reduction, supplies, and so forth.

Senator McCLURE. How much in each of those categories? Do you have any idea?

Dr. RHOADES. I would have to provide that to the committee.

Senator McCLURE. Would you, please? If it is simply attrition or reduction, I would like that figure separately from travel reduction and other items that might make up the $1.5 million.

[The information follows:]

PAY ACT ABSORPTION

The pay act absorption of $1.5 million will be accomplished by reducing planned obligations for the following items:

Lapsing positions	$300,000
Supplies	200,000
Travel	200,000
Training	200,000
Purchase of replacement equipment	600,000
Total	1,500,000

BUDGET REDUCTIONS

Senator McCLURE. For the third year in a row, we are faced with a request to terminate the community health representative program, the urban health program, and the construction program.

Is it the position of the Department that we should leave unfinished those hospitals for which millions of dollars have already been spent?

Dr. GRAHAM. Mr. Chairman, there are two hospitals that would be in that circumstance. The position which is reflected in our 1985 budget is that we would not seek the funds in fiscal year 1985 for completion of those two hospitals.

Senator McCLURE. Just leave them partially completed?

Dr. GRAHAM. The issue of construction is an issue which will be evaluated within the Department every year, as the budget is completed, and it is possible that in future years, depending on the state of the budget and the economy, it will be possible for us to come forward with a request for completion of those two facilities.

Senator McCLURE. Wouldn't it be normal practice to request a rescission or a deferral rather than expend and obligate all your moneys and then leave the building half finished and walk away from it?

Dr. GRAHAM. Dr. Rhoades and I have talked about the technical nature of it. My supposition is that because of the manner in which construction funds are obligated, that is, the fact that you entered into contracts for construction over a period of time, that, indeed, the funds which are not yet expended may well have been obligated through a contract, but I would rather ask Mr. Roach or Dr. Rhoades if that is true.

Mr. ROACH. At the present time, funds have been appropriated for the construction but have not been committed.

Senator McClure. Do you expect to commit them?

Mr. Roach. Yes; we would expect to commit them.

Senator McClure. So you do expect to commit the available funds, but that will not be sufficient to complete the projects?

Mr. Roach. That is correct.

Senator McClure. Do you think that's good practice to go ahead and start construction of a building and leave it half finished and walk away?

Dr. Graham. I guess it is a circumstance where we would be criticized in either direction. My personal feeling at the present time is that as long as funds have been made available by the Congress for that construction, and as long as the discussions I have had within the Department indicate that in future fiscal years it will be possible for us to review construction status; yes, I would prefer to start that construction in the hopes that eventually I would be able to build it.

Senator McClure. Build it part way, walk away and then sometime later be able to come back and finish it?

Dr. Graham. With the hopes that we would be able to come and finish it; yes, sir.

Senator McClure. How much does that increase the cost of the completed hospital?

Dr. Graham. I am sure there will be an increment in those costs, sir. I don't know. We will have to supply for the record the change in construction costs due to the period of delay.

[The information follows:]

Construction Delays

For projects that have only received design funds the increase in cost will depend on the inflation rate. Currently this rate is estimated to be 7.5 percent per year through 1989.

For projects that have interrupted construction the additional cost will be tied to the rate of inflation and the cost of restarting the project. The new startup cost is estimated at 15 percent of the remaining cost of construction and is added to that cost. The inflation rate will add another 7.5 percent per year to the cost to complete the project.

MANAGEMENT OF CONSTRUCTION PROGRAM

Senator McClure. It seems to me that one of two things is occurring. One is incredibly bad management on your part in the construction program, or the other, which may be a cynical evaluation, is that you expect Congress to bear the burden of increasing the budget allocation rather than putting it in the budget yourself.

Dr. Graham. I do not feel there has been incredible bad management of the construction program on the part of the Department. I believe there is a reflection here of some differing philosophy, in terms of how construction is programed and how decisions are made. In general, the Department in recent years has attempted to budget on the basis of seeking funds only for the whole construction project, rather than the incremental approach. The Congress has had a tendency to provide money on an incremental basis for construction. That does leave us somewhat out of phase in our proposals, and the congressional intent is reflected in the appropriations bills.

INCREMENTAL FUNDING

Senator McClure. That is a different issue, certainly, but once you have started a building, whether you have been appropriated the whole amount or incremental amounts during the construction, you've started.

Dr. Graham. Yes.

Senator McClure. Does this reflect a judgment on your part that you wished we hadn't started it?

Dr. Graham. Mr. Chairman, we have never requested incremental funds in the President's budget for these facilities.

Senator McClure. I understand that. That's kind of a way of getting even with the Congress then. You didn't ask for it. We started it, so we're stuck with it.

Dr. Graham. I am not trying to place blame on you, sir.

Senator McClure. But I'm trying to place blame on you for not carrying out what Congress said. Congress said, "Build hospitals," and we've provided the money to do it.

Dr. Graham. No, sir, you provided part of the money.

Senator McClure. We provided the money to start the construction, and you're saying, because we didn't want to in the first place, we're not going to finish them.

Dr. Graham. What I am trying to reflect is that there has been a consistency in the policy of the administration in the budget requests submitted to Congress, and in terms of the issue that you raised first, was that incredibly bad management? No; although we have disagreed in terms of the budget requests over the past years, I don't think there has been bad management.

Senator McClure. You didn't want to build the darn thing, so you won't build the darn thing. And if Congress says, "Build them," you still won't build them. You will spend the money we appropriated, but you don't intend to finish them.

Dr. Graham. If we spend the money appropriated, obviously, we build it, or we build a portion of it, but I am still trying to respond to the point of your question, which is, we are not intentionally mismanaging the problem.

Senator McClure. I strongly disagree with that statement. You didn't want to build them; the Congress said you would, so you leave them half done. Either leave them half done, which is incredibly poor management, or you will leave it to the Congress to provide the rest of the money, either now or at a later date, because you didn't want them in the first place.

Now at some point, the administration ought to be honest enough to know that there was a decision made. The administration did not request the money for these hospitals. The Congress added them in a bill, which the President of the United States signed. That decision was made, not because you made it, but because Congress and the President did. And what you are saying is, "I didn't like that decision, so we are not going to build a hospital."

Now that is petulant. That isn't good management. That isn't even consistent policy. It's simple petulance. "I didn't get my way. So I am not going to build them."

Now I don't see how you can justify that. I don't see how you can even, with a straight face, sit there at that table and say, "We believe that is not bad management. We are going to run the construction project until the construction project runs out of money, and then we will just stop."

At some point there has to be better business management than that. You wouldn't start the operation and say, "I'm sorry, I am out of funds. I'll leave the patient on the hospital table, until we get some more money." Then we will come back later and finish the operation. Now a hospital isn't exactly the same sort of thing, but the analogy is still there.

I can't imagine you, with a straight face, telling us that when the Congress and the President have jointly come to a conclusion and started the construction of the building, that you can say, "Well, it is good management just to stop when the money runs out."

Dr. GRAHAM. Mr. Chairman, my experience has shown that prolonged exchanges between the witness and the chairman are rarely to the advantage of the witness, but part of what you have said I have to take issue with.

Senator MCCLURE. All right.

Dr. GRAHAM. In the face of the fact that in a given fiscal year the President did not seek funds for these two construction items, and the Congress decided that it was their will to appropriate funds, I think it is fair for me to raise the question: Why did the Congress only appropriate partial funds? Why did not the Congress, if they recognized there was a clear difference of opinion between themselves and the President, appropriate the entire amount rather than half the amount, because it is only reasonable to assume that if the President has not requested funds, it is unlikely that the President is going to change his mind.

I think we are in this together. We honestly have a prolonged difference of opinion between the Congress and the President on whether not these facilities should be constructed. I think that is a policy difference rather than a management difference.

CONSTRUCTION POLICY

Senator MCCLURE. Dr. Graham, there was a policy difference at the time that the decision was made to start the hospitals. The administration did not ask for the money. The Congress looked at the building priority and the programs and included the money.

Dr. GRAHAM. Some of the money.

Senator MCCLURE. Some of the money. The Senate voted the entire amount; the House did not. So I can't disagree with you with respect to the fact that it would have been better to put all of that money in last year, but at the same time, having said that, the President signed that bill. That bill included within it the start of the construction for these hospitals. Now that is an accomplished fact. That isn't something that you decided to do or decided not to do. That was done by the Congress and the administration. The President down there in the White House is your President too. And he signed that bill that says, "We are going to build those hospitals."

Then you come up with a budget that says, "Well, we may have decided that last year, but we are going to undecide it this year."

Dr. GRAHAM. I would have to say that the President, with whatever enthusiasm or lack of enthusiasm for that particular provision, signed a bill that said, we are going to partially construct those hospitals, because the bill did not provide for the construction.

Senator MCCLURE. As you say, extended discussions, perhaps, are not constructive.

Dr. GRAHAM. No; I just said they are not to the advantage of the witness.

Senator MCCLURE. Well, I found it not to be particularly constructive.

Dr. GRAHAM. Fair enough.

Senator MCCLURE. I just can't imagine how you can say, because we didn't want to do it, and you didn't provide all the money, that we have no obligation to finish the hospital.

Dr. GRAHAM. Again, as manager of the program, I feel an obligation to bring things to as orderly a conclusion as possible. In responding to your first question on this, I have indicated that it is our position that the budgetary limitations do not allow us to seek funds for the completion of those two facilities. However, I have assurances from the Department that in our budget formulations for future years, it will be possible for us to raise the issues about necessary construction items such as new hospitals. Obviously, partially constructed facilities are going to be very high on the priority list that Dr. Rhoades and I have. That is not an assurance that there will be a request at some future date, but it is an assurance that it is not a closed issue. We can continue to seek and to discuss the need for funds as we put together future year budgets. It is my anticipation that those requests will be dealt with positively or negatively, based upon the judgment of the President at that time as to the general state of the Federal budget and what we can afford.

That is something that I feel as an obligation on our part not to walk away from it, not to simply say, "We never wanted it. Therefore, we won't do anything."

In this fiscal year, it is not possible for us to seek those funds. In a future fiscal year, it is my hope that eventually we will be able to come before the Congress and seek those funds.

ADDITIONAL COMPLETION COSTS

Senator McCLURE. Would you provide for the record your estimate as to what the additional completion costs will be on the basis of the 1-year delay, a 2-year delay, a 3-year delay?

I don't know how far you want to go because I don't know how far in the future you are anticipating you will ask for funds. But go as far as you think is prudent.

Dr. GRAHAM. Three years is fine.

Senator McCLURE. Thank you.

[The information follows:]

CONSTRUCTION COSTS DUE TO DELAY

Prospective construction contractors for the Crownpoint and Kanakanak hospitals will be required to separate their bids into two construction phases. The Government will award a contract for the first phase work and possess an option to have construction completed at the second phase bid price if additional funds are available at the specified time. In the event that second phase funds are not appropriated for a year or more after this date, the Government would probably readvertise for new competitive bids on the second phase construction. The new low bid would presumably exceed the previous option price because of general inflation and the need for a new "startup" (for example, mobilization of a construction force and equipment). For rough cost estimating purposes, it is assumed that prices in the construction industry will increase at the rate of 7½ percent annually, that moveable equipment prices will increase at this same rate, that new "startups" would cost $500,000 at Crownpoint and $300,000 at Kanakanak, and that maintenance and security for each partially completed facility would cost $200,000 annually.

Remaining funding needs for the Crownpoint hospital consist of $7,074,000 to complete construction and $1,990,000 for moveable equipment. Based on the foregoing assumptions, a 1-year delay in receiving these funds would increase construction costs by $1,230,000 and moveable equipment costs by $150,000. Disregarding the compounding of inflationary increases, each additional year of delay would add $730,000 to construction costs and $150,000 to moveable equipment costs.

Remaining funding needs for the Kanakanak hospital consist of $4,053,000 for construction/renovation and $1,104,000 for moveable equipment. Thus, a 1-year delay in receiving these funds would increase construction costs by $800,000 and moveable equipment costs by $83,000. Each additional year of delay would add about $500,000 to construction costs and $83,000 to moveable equipment costs.

It should be noted that first phase construction contracts cannot be awarded at Crownpoint and Kanakanak until relatively late in fiscal year 1984. A lack of second phase construction funds in fiscal year 1985 would interrupt construction at Crownpoint, and possibly at Kanakanak, but interruptions would not occur until late in that fiscal year.

TAHLEQUAH HOSPITAL

Senator McCLURE. In response to a letter that I wrote to Dr. Brandt regarding the flooring in an area of the second floor of the Tahlequah, Okla., hospital, Dr. Brandt replied that the decision to leave this space open to the floor below was made for aesthetic reasons rather than as a result of a space limitation of 135,000 square feet.

Before I provide for the record documentation of the fact that Indian Health Service did, indeed, request the area to be completed and the request was denied due to the space limitation, would anyone care to amend the response Dr. Brandt provided to the subcommittee?

Dr. GRAHAM. I will leave Dr. Brandt's response on the record.

I did talk to the senior facility engineering person in the Public Health Service by phone and specifically reviewed Dr. Brandt's response with him. He has a very clear recollection of a phone conversation with the chief of the Dallas regional office facilities engineering and construction unit, a design engineer, who feels that the area was left open for design purposes.

However, it seems to me, based on the square footage involved and the fact that there is a very strong feeling on the part of people at Tahlequah that they would like that area filled in, even with leaving Dr. Brandt's response as a matter of record, we have no strong objections to going ahead and flooring in the space.

As I track down the conversation, I think honest people feel that decisions were made based on design. Other people feel they were based on a space limitation. I don't know who shot John, but it is clear that both Tahlequah and Vermilion are very concerned with the space.

Senator MCCLURE. I have a copy of the letter to Larry W. Taylor, of Larry W. Taylor Architects, dated December 4, 1981, signed by—the copy doesn't show the signature. It presumably was signed by Weldon R. Wishen, facilities management branch, facilities engineering construction—in which he says that the second floor opening at the south entry shall not be closed as previously requested by IHS. And in the previous sentence, he says, as you can see, the total is below the maximum of 135,000 square feet.

Staff has had conversation with people on the ground, the engineers, the architects, the people who are working there, who directly contradict what Dr. Brandt has said.

Now, we have enough trouble trying to keep track of what is going on without having various people tell us things that are in direct contradiction with each other.

Now, you choose to stand by Dr. Brandt's statement, if I understand it, even though it is contradicted by this evidence and other evidence and the conversations of people who were there, is that correct?

Dr. GRAHAM. Since I do not know the individuals named in that letter that you just read, and you indicated you will submit that evidence to us for response, I will be happy to respond on the record to try and sort out who said what to whom and on what and how we know.

What I was indicating, as you were preparing to read that, is that based upon my conversations with the senior facility person in the Public Health Service last evening, No. 1, he had reason to believe that Dr. Brandt's statement was true, but, No. 2, it seemed like the issue before us is what is going to happen to the open space, not who shot John. As far as we are concerned, we can live with closing in that open space, which I understood to be the committee's concern.

Senator MCCLURE. Yes; that is our concern. But a secondary concern is I don't know how we can operate if we can't rely on the communications we get.

Dr. Graham. That is a fair point, sir. I have known Dr. Brandt for a number of years. Dr. Brandt would never communicate with Congress in any manner other than what he felt to be totally forthcoming and accurate.

That is why I say I am going to stand by any letter that he sent to you.

I would be happy to look at whatever documentation you have and try to sort out why we have the view that we do. Whether it is a misunderstanding or miscommunication that may have led to different perceptions, I do not know, but we are willing to move in the direction which appears to be the committee's concern, and that is to close in that space.

PROTECTION OF IHS FACILITIES

Senator McClure. May I turn, then, for a moment to the question of protection of IHS facilities?

On January 26, an article appeared in the New York Times entitled "Attacks Touch Off Fear Near Indian Reservation."

According to the article, between December 16 and January 26, in Fort Defiance, Ariz., one nurse was raped and stabbed; there was an armed assault on another nurse who was shot in the head; and a young woman was murdered. All three victims were connected with the Fort Defiance Indian Health Service Hospital.

At least one other murder occurring in an Indian Health Service facility has been reported to the staff.

On whom does the Indian Health Service rely for protection of its buildings, grounds, and employees?

Dr. Rhoades. Senator McClure, the protection of Indian Health Service facilities and personnel ordinarily resides with the FBI because of the jurisdiction related to Federal trust property and Federal lands and in some instances with the Bureau of Indian Affairs, Law and Order Division. In a few instances it resides with the law and order activities of the respective tribes themselves.

Senator McClure. Are police regularly stationed at IHS hospitals in evenings or on the weekends?

Dr. Rhoades. No, sir, they are not.

Senator McClure. Is there need for such protection?

Dr. Rhoades. In my opinion, there is definitely need for that kind of protection.

Senator McClure. Would you for the record please supply any available information on assaults and other serious crimes which have occurred on IHS property?

Also, if exit interviews are conducted, how many staff cite lack of security as a reason for terminating employment with the Indian Health Service?

Dr. Rhoades. We will be happy to do so.

[The information follows:]

LACK OF SECURITY

Two years ago at the Crow Agency Hospital, there was an assault on a physician. At the Browning Service Unit Hospital, there have been periodic attempted burglaries in the clinic, and at Lame Deer the physician quarters were burglarized.

Within the Aberdeen area, there have been breakins in the pharmacies allegedly for drugs, and in these instances the Federal Bureau of Investigation was called in to investigate.

In December 1983 at San Carlos, Ariz., Government credit cards and a Government car was stolen from the hospital grounds. In addition, at Cibicue, Ariz., vandalism of the clinic frequently occurs.

Most recently, on December 16, 1983, at the Fort Defiance hospital a nurse was raped. On January 11, 1984, a nurse was shot, and shortly thereafter in the vicinity of the Fort Defiance hospital family members of a hospital employee were shot.

In regard to staff citing lack of security for terminating employment, six nurses from Fort Defiance terminated employment because of the recent violence. Two nurses at the Crownpoint Indian Hospital requested and were transferred to other Indian Health Service (IHS) sites because of the lack of security at Crownpoint.

In 1980 and 1982, IHS physicians were surveyed and one question pertaining to security was asked. In the 1980 survey, 10.5 percent of the physicians stated that the lack of security had an influence on their leaving the Indian Health Service, and 10.1 percent in the 1982 survey said that the lack of security influenced their leaving.

In addition to the 1982 survey, 18 percent of the physicians said they were dissatisfied with the security precautions within their homes, and 12 percent stated that there were inadequate security measures regarding the safety of their children within the community.

SECURITY MEASURES

Senator McCLURE. I don't know what the answer is to the problem that we are confronting. The FBI is not a police force in the sense that they provide security in advance. They are an investigatory agency that investigates after the occurrence.

It would seem in your outline it is either BIA forces or tribal forces themselves that are called upon to provide such security.

Do you think there is an opportunity to expand the degree of security provided by the tribes themselves at these facilities?

Dr. RHOADES. The conversations that I have had with tribes, including the Navajo Tribe, as a result of the experience that you have cited, is expressed in the same general terms: A strong inability of the tribes to provide police protection for the reservation in its entirety. It is certainly not that they feel less responsibility to our facilities there.

They are subject to the same impediments that all other individuals have.

Senator McCLURE. I am sure there is a limitation on available money, whether it is travel money or other supplies, but we can't provide health service to that population unless there is sufficient security for the personnel who are providing the service.

Obviously, there is some kind of a problem, and I would like to get some kind of a measurement of that problem and what you propose to do about it.

COST SAVING INITIATIVES

I understand that the administration has or will soon propose legislation requiring providers to accept medicare rates as the reimbursement rates for Indian Health Service beneficiaries as a condition for their participation in the medicare program based on the fiscal year 1984 level of funding for contract support.

Have you any estimate of the amount of money that would be available to purchase additional services if this amendment were adopted?

Dr. RHOADES. It is somewhat difficult to estimate with a high degree of precision because the factors are so varied. We estimate that somewhere around $10 to $13 million of more services could actually be purchased by that provision.

Senator MCCLURE. As noted in your justification, only a small percentage of Indians carry private health insurance. It has been suggested, however, that the majority of those who do have such coverage obtain it through Federal employment.

Another recommendation, though not one endorsed by the administration at this time, is to require insurance companies doing business with the Federal Government to provide reimbursement for care provided at Indian Health Service, Public Health Service, and Veterans' Administration hospitals.

Some contend that while this provision would undoubtedly provide savings to the Government, it would also benefit the carriers as those with private insurance are often encouraged to use community rather than Federal facilities in order to conserve resources for those with no alternative to direct Federal health care. As Federal facilities are generally less expensive than private or community hospitals, the carriers might see a reduction in their costs if this suggestion were implemented.

Do you think such a requirement would benefit the Indian Health Service?

Dr. GRAHAM. I am not sure exactly of the thrust of the question, Senator. If you could try again.

We obviously are trying to recover from IHS beneficiaries who are presently covered by third party insurance, receipts from those insurance companies for full service delivered to beneficiaries in IHS facilities. That element we feel would be of assistance to the IHS because it would place the IHS appropriated resources as residual to these other third party resources and, therefore, allow us to care for more individuals.

Senator MCCLURE. I think maybe it would help the record if we developed that a little further with an exchange in writing rather than take the time of the committee this morning.

I am concerned about the interrelationship between the programs, the non-Federal employment based and the other private based as well as the noninsurance coverage.

There is an interrelationship that needs to be analyzed, and while you have looked at recovery, we haven't looked at the effects, and that is what I wanted to look at.

Dr. Graham. Part of that, as I heard your question, would also rest upon the assumption that most IHS beneficiaries who do have third party insurance have that by virtue of Federal employment. I am not sure that we are in a position, with the information available to us thus far, to document that within the IHS. I am hopeful that perhaps later this year we may be in that position, but right now I would have to treat that as a hypothesis rather than a fact.

SERVICES TO HANDICAPPED CHILDREN

Senator McClure. I state it as a hypothesis. I don't know that it is true. It has been suggested to us that it is true, and it is on that basis that I make that statement.

Through the mental health program, the Indian Health Service works with the Bureau of Indian Affairs to provide services to emotionally, educationally, physically, and mentally handicapped children as part of the Indian children's program.

What proportion of Indian children are tested or served by this program?

Dr. Rhoades. I cannot express it in a proportion, Senator. The program that you refer to carries a registry of about 1,700 children.

Senator McClure. That is nationwide?

Dr. Rhoades. The program ostensibly is a nationwide program. In fact, it is a regional program. They have referrals of some children from outside the local geographic area, but I don't think it would be quite correct to describe it as a nationwide program.

Senator McClure. It is more focused than that?

Dr. Rhoades. Yes, sir.

Senator McClure. Do you have any statistical basis to make a judgment as to the number of children in the population more directly served by that?

Dr. Rhoades. I would have to supply that. A quick calculation would show it.

Senator McClure. Would you supply that for the record, please?

Dr. Rhoades. Yes.

[The information follows:]

Indian Children's Program

The approximate number of American Indian children zero to 21 years of age in the area served by the Indian children's program (ICP) is 93,154.[1] Because there is no accurate national estimate of the percent of children who are handicapped in the population, it is impossible to determine what percent of the Indian Health Service population is made up by the 1,700 children cared for by the ICP.

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[1] Source: General population characteristics, Arizona, pc 80-1-B4. Source: General population characteristics, New Mexico, pc 80-1-B33.

IDENTIFYING HANDICAPPED INDIAN CHILDREN

Senator McClure. Some school officials have complained to us that while the Bureau funding formula for Indian education provides an additional consideration for handicapped children, there has been no program put in place to provide systematic identification of those children.

Do you have any servicewide program designed to identify handicapped Indian children before they enter school?

Dr. RHOADES. It would be more correct to describe the Indian Health Service activity as an initiative rather than a well-defined and circumscribed program. We operate under an initiative that seeks to raise the consciousness of all of our health workers, whether they are in the community or in a clinic, to identify children who have any sort of disability and to specifically seek out resources that are available to all of them. We don't place them into a program as such.

Senator MCCLURE. You don't have a specific program to screen all the children to determine whether they are handicapped?

Dr. RHOADES. That is correct. We do more than usual in that regard, but I would have to say that it is spotedly distributed around this country. There are community health nurses, for example, in some of our areas that are perhaps a little more energetic than others in identifying these children. We do survey, in several of our areas, the State crippled children's departments and maintain a roster of children. But I don't want to convey to you that we then place them into a program that is different from our usual health care system.

Senator MCCLURE. And there is no systematic seeking out, as a matter of total application?

Dr. RHOADES. I would like to say I believe there is a systematic effort. I don't mean to imply, whatsoever, that it is very successful, totally successful.

Senator MCCLURE. I think what you are trying to say, if I can paraphrase it, is, that, yes, there is a systematic effort, but it is not a total effort, and it doesn't screen all of the population. And you would not represent to us that it is successful in locating all handicapped children.

Dr. RHOADES. That is put very nicely. Yes, sir.

Senator MCCLURE. Do you have any estimate or any information that you could give us as to the degree of success or failure in locating handicapped children?

Dr. RHOADES. You mean in the past?

Senator MCCLURE. At the present time. Are you reaching 10 percent? Are you locating, identifying 15 percent? Do you believe you are getting substantially half of them? Do you have any ballpark estimates at all of how successful the effort is?

Dr. RHOADES. I think it would be unfair to hazard a guess. If I had to guess, I would say that it is substantially less than half.

Senator MCCLURE. Do you have any plans to do more or other than you are doing now? I am not suggesting that you should; I am trying to find out whether you should.

Dr. RHOADES. There is no question that from the standpoint of the desire that Indian Health Service has to prevent premature mortality and excess morbidity, we certainly have the desire to do more toward the identification of those who are disabled, particularly, as you pointed out, preschool children. The ability to perform satisfactorily, as everyone now knows, is so dependent upon adequate hearing and adequate eyesight. A year or so ago I announced a special initiative directed toward disabled persons, with special emphasis on the young.

Senator McClure. But it is more in the question of health needs than it is educational needs. You point to the link between the two, but if I understood your earlier answer, it was to prevent the mortality or morbidity, primarily.

Dr. Rhoades. Yes, sir.

Senator McClure. Have you sought to interface your actions in this area with that of the education systems?

Dr. Rhoades. We have continuing ongoing discussions with the Bureau of Indian Affairs, and except for some of the community health nurses that I mentioned a while ago, we do work closely with non-BIA schools. We don't have formal linkages otherwise. The Indian children's program that you described is one, I think, of very successful collaboration between the Bureau of Indian Affairs and the Indian Health Service.

THIRD PARTY COLLECTIONS

Senator McClure. The Indian Health Care Improvement Act is up for reauthorization this year. When IHS was first given the authority to retain third party collections, it was estimated that such collections would amount to about $2.5 million a year. Collections are now estimated to exceed $55 million next year. Would you recommend any changes in the purposes for which these funds may be used as part of the reauthorization process?

Dr. Graham. I believe we are perfectly comfortable with the specification that those revenues be applied for the JCAH accreditation.

Senator McClure. You are satisfied with the current allocations?

Dr. Graham. Yes.

Senator McClure. In fiscal year 1983, $11,400,000 of medicare and medicaid collections were carried over into fiscal year 1984.

Does IHS have some target for a carryover balance in this account, or is it simply a matter of collections and expenditures?

Dr. Graham. My understanding is, that it is a matter of collections and expenditures and the point in time when that occurs in the fiscal year.

Senator McClure. If you don't have a target, do you have an estimate?

Dr. Graham. We probably do have an estimate.

Dr. Rhoades. We make estimates in the fourth quarter of every year, Senator McClure. There is one way that money gets carried over. Money that is collected in the last 2 or 3 months of the fiscal year obviously can't be expended very readily in that period of time. So it does represent a carryover. We make an estimate of that for the usual purposes of disbursements, and not to define a fund, so to speak, to be used for certain activities.

Senator McClure. If reauthorization is not enacted this session for the Indian Health Care Improvement Act, will IHS still have the authority to retain third party collections?

Dr. GRAHAM. Dr. Rhoades is informing me that he has had some discussions with his staff about that specific legal point. Since it appears to us that the Indian Health Care Improvement Act amended the Social Security Act to provide for the use of those funds, even if the provisions of Public Law 437 were to expire, the Social Security Act would still stand amended, in lieu of any further action. Therefore, we could continue to recover those funds.

REAUTHORIZATION OF INDIAN HEALTH CARE

Senator McCLURE. Thank you.

S. 2166 is the Senate version of the Indian health care reauthorization bill. Section 901 of that bill would provide an entitlement program for health care providers who render health care services to eligible Indians. How would enactment of this provision impact on the ability of the Indian Health Service to control contract care costs?

Dr. RHOADES. Our impression at the present time, Senator McClure, is that if the bill were enacted as it stands, it would have a negative impact on our ability to control our contract costs.

Senator McCLURE. Would enactment of this section allow individual Indians to choose whether they would receive care at a private facility, as opposed to an IHS hospital, and make IHS liable for any costs incurred?

Dr. RHOADES. We are still in the process of discussing that with our legal office within the Indian Health Service, and I am not sure we have achieved a consensus as to the answer to that question.

Senator McCLURE. What is the predominant opinion?

Dr. RHOADES. I believe the predominant consensus is that the appearance of the face value of the language is that it should permit Indians to choose the provider that they wish to go to.

Senator McCLURE. And if they chose the provider, the provider would have the right to be paid by IHS, regardless of any decision which you might make?

Dr. RHOADES. That is my understanding.

Senator McCLURE. The legislation does not provide any limitations on what kinds of medical services would be covered. Is it possible that cosmetic surgery, for example, would be covered by this provision?

Dr. RHOADES. We would anticipate that this provision would be dealt with in the formulation of regulations, and I would assume that the same rationale that applies to contract care at the present time would apply to that. If I had to lean toward what I anticipate the position would be, my leaning would be that, except under very extenuating circumstances, cosmetic surgery would only be covered if it really is involved in something more fundamental. For example, a young woman with severe disfigurement of the face.

Senator McCLURE. I guess the point that I am trying to make, rather than focusing on cosmetic surgery as an example, is the question of whether the bill as it is now written, provides any limitation or gives you the ability to provide limitation on the nature of services that would be covered.

Dr. GRAHAM. Mr. Chairman, I think it is obvious from Dr. Rhoades' response, we find this section to be a very troublesome one, and its implications not only for control of access to services, but also the possible expenditure of IHS budget. As Dr. Rhoades reflects, what our intent would be in trying to provide a set of regulations, we need to make very clear. Obviously, regulations will be constrained by the statute and will depend very much upon the legislative history of what that section finally said and what the committee said in their passage of it.

Senator McCLURE. This bill was not introduced until November 14 of last year, and there was very little time for you to react to it last session. What I am getting at is, the expectation that if again called upon to testify before the authorizing committee or the select committee, that you will have an administration position with respect to the language, what it means, what your objections would be, how you would change it, if, indeed, you would change it, or whether you are opposed to it.

Dr. GRAHAM. To the best of my recollection, Senator, we have submitted a bill report on this. We have already testified before the Senate select committee on the bill. This particular provision did not come up for any discussion during our testimony.

Senator McCLURE. It would seem to me that, in view of the concerns which you have expressed here today, you would want to give them your advice.

Dr. GRAHAM. We obviously do that very freely.

Senator McCLURE. I would invite you to seek the opportunity if, indeed, they haven't asked you.

Dr. GRAHAM. We have received or are about to receive from that committee additional questions for the record, and it may well be that since the committee members did not address this during the time of the hearing, our focus of opportunity for discussion and debate of the issue will be in our questions and responses for the record and any informal or formal workings with the staff of the committee.

Senator McCLURE. I would assume the committee invited the administration to make comments with respect to the legislation.

Dr. GRAHAM. Indeed.

Senator McCLURE. Not just in response to specific questions.

Dr. GRAHAM. Indeed they did, and I think what we should do, for your information, is to submit a copy of our bill report. That is already in the record. My recollection is that we addressed that issue in the bill report and did not support it.

Senator McCLURE. We will work with you on that, and we will look at that report. It may well be that we will want to develop some further dialog. Perhaps if it isn't adequately covered in your comments, we could do so.

Dr. GRAHAM. I appreciate that, Senator.

Senator McCLURE. Section 710(b) of the bill states that "Notwithstanding any other provision of law, the Secretary shall not implement any reduction in, any restriction on, or any modification in any type of clinical health care service provided by the Service on the day before the date of enactment of this Act, whether provided directly or by grant or by contract."

What happens if sufficient funds are not provided to allow IHS to maintain the same level of service, or if some major health problem arises which requires diversion of IHS resources?

Dr. RHOADES. That would pose a problem for Indian Health Service with the language as it is stated. My recollection of our prior testimony with the other committee was that we raised that concern. Their response was that they would welcome the opportunity to refine that language.

Senator MCCLURE. The purpose of that section is to prevent the Indian Health Service from implementing the recommendations of the task force on clinical care priorities. Section 710(a) would require IHS to review data on fiscal years 1980 through 1983 to make a guess as to what might have happened if the clinical care priority system had been in effect during that time.

Is it possible to meet such a requirement; and what benefit would be derived from such a study?

Dr. RHOADES. No, sir. It really would not be possible to do a retrospective study that would yield useful information and we cannot see how it would be useful to carry that out.

Senator MCCLURE. Can you estimate the man-hours and the cost of compiling the data required by that provision?

Dr. RHOADES. I'd have to supply that for the record. Obviously, it would be a fairly substantial undertaking; many hours and a number of individuals.

Senator MCCLURE. I assume that if Congress should pass that statute and it became a provision of law you would make a good faith effort to comply. I would hope you could provide for the record your estimate of the man-hours and the costs of making that study.

Dr. RHOADES. We would be glad to, Senator.

[The information follows:]

CLINICAL CARE PRIORITY SYSTEM

To cost out a predetermined clinical care priority system applied retroactively and uniformly throughout the Indian Health Service (IHS) from fiscal years 1980 through 1983 would require not only an analysis of final year data captured on services provided by IHS, but also a survey of medical needs not provided. Such a study would be most difficult to undertake and would be of questionable utility. Estimates of such costs are:

	IHS manpower	Costs
Analysis of IHS data	1 person year	$30,000
National survey of Indian needs fiscal years 1980-83 (contract with National Center for Health Statistics)	2 person year	500,000
Total	3 person year	530,000

CLINICAL PRIORITIES

Dr. GRAHAM. Mr. Chairman, it might be helpful to point out that our understanding from discussions with that committee is that they were particularly concerned that a specific set of recommended clinical priorities, which was included in the record, the contract health services task force report, might be implemented. Dr. Rhoades has made the decision and has given assurance to that committee that that order of priorities will not be implemented by the Indian Health Service.

It was merely a recommendation to him. He has looked at it. He has determined it was not in the interests of the IHS to implement that recommendation as such.

We will continue in our analysis of clinical priorities.

HEPATITIS B SCREENING PROGRAM

Senator MCCLURE. The hepatitis B screening program in Alaska was initiated as the result of a Senate add-on. We were told at that time that the Indian Health Service would require funding for 3 years and, after that, the State of Alaska would assume control of the program.

Fiscal year 1985 should be the final year of IHS support. The Senate version of the health care reauthorization bill would require IHS to request funding for the program through fiscal year 1989.

What is the status of the program? Has the State rescinded their commitment to assume responsibility for the program?

Dr. RHOADES. Senator McClure, that program, as you correctly described, was put in place under the impetus of the Senate. It represents an excellent cooperation between the Centers for Disease Control, the Indian Health Service, and the State of Alaska and was made possible by two recent technological developments.

No. 1, the ability to identify individuals who are either immune or very susceptible to that particular disease. Two, since 1982 we have a vaccine which now appears to be extremely effective and extremely safe. Our original projections with additional funding, which were submitted through our budget request, anticipated the first phase of a control program, which I guess I could describe perhaps somewhat oversimplistically as a survey and now a projection that all Alaskan Natives be immunized.

We believe—and I have just recently had the opportunity to inform Dr. Graham—based upon intensive review in Anchorage in early February that I must ask him for some additional funds. We do believe that that phase of the control program will be concluded very near the end of fiscal year 1985 following which it is too early to predict, but I think the consensus will be at that time that very likely, for Alaskan Natives, hepatitis B vaccine should become part of their routine childhood immunizations. The State is responsible for that part of the program.

The communications that we've had with them thus far is that they do, indeed, anticipate that that will be the course followed.

Senator McClure. You've outlined the fact that certain changes have occurred since this was undertaken. Has the level of the commitment of the State been maintained for that period, post-1985? You indicated that they are responsible.

Are they going to make good on the commitment which was made when we started out, or are they reducing their commitment because of the change?

Dr. Rhoades. A good deal of their commitment does depend upon an interagency agreement where we contract with them to do some of the screening and the actual administration. Except for that I see no indication that they are not prepared to meet their commitment.

There was some difficulty that the State had initially in gearing up their laboratory to take on these additional very complicated tests. Once that was accomplished a backlog of approximately 4,000 blood specimens has been eliminated and we actually are slightly ahead of the point that we had projected 1 year ago we would be at by March 1 of this year.

Senator McClure. I assume from your answer that with the development of the vaccine, if it included as a routine part of childhood preventive medicine, that the problem of screening becomes a much different kind of a problem over a period of years.

Is that correct?

Dr. Rhoades. That is absolutely correct. Let me just add one other aspect of that problem, and it is an aspect that is peculiar to hepatitis B at the moment among viral infections of man.

Individuals who carry this virus for long periods of time and individuals who contract the disease very early in life often carry that virus in their liver cells throughout life and they are at much greater risk of developing cancer of the liver than individuals without hepatitis B.

The blood tests that we do convinced us to identify those individuals. They certainly should be followed throughout their life because there is another blood test that appears to be able to identify cancer of the liver in its very early stages which makes successful removal of that cancer much more likely.

That really is the responsibility of the Indian Health Service as a part of its obligation to the tribes there. That will require some special effort, but I don't think the cost of that will be prohibitive.

TRAINED HEALTH ADMINISTRATORS

Senator McClure. We'll follow up with some other questions with respect to the relationship of the State and Federal obligation in this area.

There's a serious concern here in Congress and across the country over the rising costs of health care and the efficiency of our health delivery system. One important element of the problem relates to the quality of those who manage health care facilities.

According to the Public Health Service, only about one-third of the people who manage hospitals and clinics have actually been trained in health administration. Does the shortage apply to the Indian Health Service or is it even worse?

Dr. RHOADES. We have every reason to believe that the figure is about the same for the Indian Health Service. I'm not prepared to say that it is worse.

Senator MCCLURE. Do you have any information on just how many of your hospital managers have actually been educated and trained in health administration?

Dr. RHOADES. By trained in health administration I assume that you would indicate education that would lead to either a bachelor or a master's degree in health administration or hospital administration and not, perhaps, short training.

We have had an active program of training all individuals in the Indian Health Service sharply curtailed in recent years, perhaps falling further behind with those in the administrative fields, in our efforts to maintain continuing education for physicians, nurses, and other providers.

Other than that, I don't have an inventory at the moment of the numbers of those individuals who have the kind of degree that I think your question contains.

Senator MCCLURE. Can you provide that for the record?

Dr. RHOADES. We'd be happy to.

Senator MCCLURE. How much money is spent annually on inservice training for health administrators?

Dr. RHOADES. We would have to calculate that and provide that to you.

Senator MCCLURE. If you would, please.

[The information follows:]

FUNDS SPENT ANNUALLY ON INSERVICE TRAINING

Of the 48 hospital managers of the Indian Health Service, 7 have masters degrees in hospital administration. In addition, 16 have masters degrees in other fields (such as public health), 8 are physicians, 1 has a doctorate in education, 6 have bachelors degrees in fields other than hospital administration, 9 have no degrees, and 1 position is vacant.

During fiscal year 1983 $77,800 was spent on inservice training for health administrators.

NEED FOR QUALIFIED HEALTH ADMINISTRATORS

Senator MCCLURE. Do you have long-range plans for meeting the need for qualified health administrators?

Dr. RHOADES. I have decided that the provision of adequate training and support to the support personnel in the Indian Health Service is not less important, really, than the provision of health care to the Indian people.

Obviously, in times of severe budgetary constraint decisions are often made and training is one of the things that is often cut first. I subscribe to the concept that a part of the cost for providing medical care is the cost of training and support. I call it maintenance and repair of individuals just like we have a maintenance and repair program for buildings.

Senator McClure. You think there's some wear and tear there, or is it just the obsolescence factor?

Dr. Rhoades. I think the problem you described earlier in Fort Defiance, Ariz., is also part of the problem. I am discussing right now with top staff my intention to earmark a very modest amount of dollars that will continue to be spent for training.

Obviously, it's very modest at the present time, but I hope it represents a long-term commitment to the training of all of our support staff.

INDIAN HEALTH MANPOWER

Senator McClure. Under Indian health manpower no funds are requested to provide continued administrative support for the Indians into medicine program or for the masters in public health program.

Are these activities the two lowest priority programs of the manpower program, or was the decision made to request no funding because the high degree of congressional interest in these two programs will assure their continuance with or without a budget request?

Dr. Graham. No; this is not an intentional Washington Monument strategy. What you see reflected is a set of difficult decisions made related to the budget where we have felt that those activities which are of the highest priority within the Indian Health Service are those offering direct clinical services to individuals on or near the reservations.

That is reflected in our request. That does not mean to say that the urban Indian health program or the Indians into medicine program or the scholarship program is our lowest priority.

There are, quite frankly, a number of areas in the budget where we feel programs have functioned effectively. However, we are not in a position where we can seek funds for their continuation.

Senator McClure. If you wouldn't characterize them as the lowest priority, would it be fair to say you characterize them as among the lowest priorities?

Dr. Graham. That still carries the suggestion of stigma.

Senator McClure. I don't mean to do that. What I'm really trying to get is your professional judgment in the range of budgetary priorities and the amount of money that's available. The cutoff point came above these.

Dr. Graham. The cutoff point came above this.

Senator McClure. The rest is semantic difficulty. They were not high priority enough to be within the range that you thought should be funded.

INDIAN PREFERENCE

Dr. Graham. That we thought could be funded.

Senator McClure. New regulations have been promulgated which require private providers and hospitals with an Indian Health Service contract to implement Indian preference in hiring to the greatest extent possible.

How would you interpret Indian preference with respect to contractors? If two people are equally qualified for a position, the Indian is given hiring preference; or if an Indian is minimally qualified for the job, he is to be given hiring preference even if a non-Indian is better qualified?

Dr. RHOADES. In general, our attitude toward Indian preference, set out by statute, is basically the same for those individuals and groups and organizations that contract with us as for the obligation for Indian preference within Indian Health Service.

We are well aware of considerable expression of concern and, in some instances perhaps, dismay by contractors that it imposes a burden on them that they regard as unrealistic; and we have had some expressed concern that perhaps they may not wish to contract with us.

My impression is that most of the concern that has been expressed is expressed because of incomplete understanding of what the law actually says; the language that is contained in the Indian Self-Determination Act that says where feasible contractors should employ Indian people.

Also, the regulation specifies that the contractor that provides a wide array of services for which we contract needs to have Indian preference apply only to those services.

In respect to the question that you raise, which is one that has concerned us both within the Indian Health Service and outside the Indian Health Service, is the implication contained in your question that a minimally qualified Indian might be selected over a more highly qualified non-Indian?

I suppose one could make a case for that. I don't know of a specific instance where it is clear that that has happened; but the requirement in the law is that an Indian who is found to be qualified—and I must say that also, therefore, indicates minimally qualified—is given absolute preference in hiring.

Senator MCCLURE. Even over a more highly qualified non-Indian.

Dr. RHOADES. That is correct. I would hasten to say that the mosaic that makes up all of those attributes of an individual, that makes one relatively more qualified than the other, for many hundreds of years in this country has worked to the very effective exclusion of Indian people. My understanding is that the law simply attempts to redress that.

We do not interpret it as implying that a nonqualified Indian should be hired where an individual is clearly better qualified.

Senator MCCLURE. If the Indian is minimally qualified, you would view the law and the regulations to require that he be hired over a more highly qualified non-Indian?

Dr. GRAHAM. Mr. Chairman, if I could state what I think is a necessary distinction, the use of the term minimally qualified, we have found, confuses the issue. An individual is qualified or not.

Some individuals, in judging their qualifications, may be found to be highly qualified. However, for the position that Dr. Rhoades is outlining, the position that bears on contracts and bears on the day-to-day operation of the Indian Health Service is, in our view, that the intent of the statute is that any individual of Indian descent who is qualified for a position shall be considered and given preference for hiring in that position in spite of the fact that there may be individuals who are highly qualified but not Indian.

The use of the term minimally qualified I've found raises the specter in people's minds that you're not quite qualified. That is not what we're talking about. They're qualified. So we just dropped the term minimal qualification.

Dr. RHOADES. If I may add, also, it is not a total obligation. There are instances when that need not be followed.

We certainly seek out the very best qualified Indian people for employment in the Indian Health Service which I think ultimately is the real answer to Indian preference. We also have a provision that for those minimally qualified individuals that are selected we have the obligation to train them and to develop their qualifications so they are better qualified when they are finished.

Senator MCCLURE. I assume that's true of all employees.

Dr. RHOADES. That is true of all employees.

QUALIFICATION FOR EMPLOYMENT

Senator MCCLURE. I assume there is some discretion that you do exercise in setting the qualification levels. You make a determination of what is required to be qualified.

As you said, Dr. Graham, they're either qualified or they're not. There is a threshold of training, experience, and technical competence that is required for all applicants and there's some discretion that you have in setting the initial qualification; but that's not subject to change after you have sought applicants for a position.

Dr. GRAHAM. My response may be more technical than you would wish and I will limit myself to the way we act within the Federal Government.

For positions of a given series and a given grade level, there are general qualifications which are set by the Office of Personnel Management, which are not open to change or interpretation by other parts of the executive. If an individual manager has a position to fill which that manager will specify at a series and at a grade, there are other special attributes of applicants that that manager may specify within those general requirements for priority consideration in ranking of applicants or determining qualification.

So in one sense there are very clear-cut qualification standards which no one may tamper with. There is a degree of discretion that a manager has in specifying particular attributes within those qualifications for a given job. There should not be a circumstance where once a job is advertised, given those qualifications expected or required and a panel of applicants is identified, there is a change in those requirements.

ALLEGATIONS OF UNFAIR EMPLOYMENT PRACTICES

Senator McClure. There's been some information and some allegation on both sides of the question that after the qualifications were established and after the applications had been made and after the testing was completed, that the level was either raised to exclude some individuals or lowered to include other individuals.

Could you comment as to those allegations?

Dr. Graham. Dr. Rhoades and I hear not infrequently allegations from within the Indian Health Service that the provisions of Indian preference are either being administered too laxly or too strictly. He and I and our respective staffs are in a very active discussion about a possible revision of the manner in which accessions and promotions will take place within the Indian Health Service and how Indian preference shall be administered.

We are hoping in the review, which will take the concurrence of the Assistant Secretary for Personnel in our Department, that we will be able to clarify our intent and our commitment to Indian preference.

Senator McClure. It is your intent, as I hear you express it today, that the qualification levels, once established and the job has been advertised, that those qualifications are a fixed standard against which all applicants are measured and that they are not subject to change after the panel has submitted their applications.

Am I correct?

Dr. Graham. Yes, sir.

Senator McClure. Have you checked the allegations that have been made about changes in those standards after the examining, the testing has been done?

Dr. Graham. I must admit, speaking solely for myself because I don't know the type of communication that Dr. Rhoades has, the allegations which come to my attention most frequently are unattributable and uncheckable. In other words, I have not had an individual come to me and say, "Here's a job action. Here's the criteria. Here's what personnel did. Here's what management did," which obviously is something that I can handle.

It is more the background knowing of somebody saying, "So and so is ignoring Indian preference," or "So and so is ignoring due process," that has caused me to sit down with Dr. Rhoades and say, "We have an issue before us where it is in the interests of our people to be very clear about our commitments to the Indian preference and also our commitment to due process in hiring and promotion in the Indian Health Service."

That is what we're talking about in terms of provision of service.

Senator McClure. Dr. Rhoades, do you have any specific charges or allegations that have been made that are of the nature that could have been checked to determine whether there was a change made in the level of qualifications after the job was advertised and after the applicants were known?

Dr. RHOADES. At the present time?

Senator MCCLURE. Over the last year or so. Any such allegation, whether they're pending now or not.

Dr. RHOADES. I'm not aware of any.

Senator MCCLURE. It's kind of put up or shut up time, isn't it, for some of the people who make those allegations? And they ought to come forward, if indeed there is a problem, and show what the problem is.

We get the same background noise that you do. We don't have any specific cases where we could decide it.

Dr. GRAHAM. It is always helpful if an individual feels that something improper is happening for that individual to feel comfortable coming forward and saying, "Here's the specifics," because then I can get into it. As you say, put up or shut up.

As long as there is that background noise and recognizing that employees, particularly in a very decentralized managed system who do not know Dr. Rhoades, do not know me, have no idea how managers might respond to said allegations, I can appreciate that they might feel a personal risk raising an issue which identifies them and identifies somebody they're complaining against.

I am not satisfied with the fact that we will have to act based upon background noise. It's always more useful to have specific allegations but, in lieu of that, I do not feel that we are justified in doing nothing.

I think there is enough noise out there that Dr. Rhoades and I are well advised to try to make perfectly clear what the procedures and what the priorities are.

Dr. RHOADES. Senator McClure, let me be sure that I did not leave an impression that with contracting there is an absolute requirement for Indian preference. We believe that there is within Indian Health Service, but that does not apply to the contracting.

URBAN HEALTH PROGRAM

Senator MCCLURE. The budget requests no funds for continuation of the urban health program. In view of past congressional action, however, the program will probably be continued.

The first time the urban programs were evaluated, four programs were terminated and several others were to receive technical assistance as a result of the problems cited in the evaluation.

For the record, would you please provide a list of all urban programs that have received technical assistance since the first evaluation and the type of assistance provided.

Dr. GRAHAM. That's fine. We will do so for the record.

[The information follows:]

TECHNICAL ASSISTANCE PROVIDED ON-SITE

Program	Location	Type of assistance
Billings American Indian Council	Billings, Mont	Program development.
Denver Indian Health Board	Denver, Colo	Data collection and reporting requirements.
American Indian Free Clinic	Los Angeles, Calif	Program development.
American Indian Council of Central California	Bakersfield, Calif	Clinic development.
Associated Indian Services, Inc	Fresno, Calif	Program development, data collection, and reporting requirements.
Spokane Indian Health Services	Spokane, Wash	Program development, data collection, and reporting requirements.

TECHNICAL ASSISTANCE RESOURCE DESSEMINATION

Date	Person	Program	Resources provided
8-22-83	Joan Stromberg	Milwaukee	Community services UCRR definitions.
8-29-83	Susan Tall Bull	Missoula	Board training materials.
8-30-83	Helen Daniels	Fresno	Annual report examples.
Do.	Susan Tall Bull	Missoula	Additional board training materials.
Do.	Paul Allen	Chicago	Medical records information.
8-31-83	Do	do	Clinic policy and procedure manual.
9-1-83	Erma Mundy	Phoenix	Home health policy and procedure manual.
Do.	Lois Fallis	South Dakota	Lab policy and procedure manual.
9-7-83	Rick Lucero	Dallas	Annual report examples.
Do.	Erma Mundy	Phoenix	Property and procurement manual.
Do.	Dave Byington	San Jose	Dental chart review and quality assurance.
9-8-83	Debbie Cuny	Anaconda	Patient satisfaction surveys.
Do.	Tim Taylor	Oklahoma City	Patient satisfaction surveys; dental manual.
9-9-83	Paul Allen	Chicago	Dental manual.
9-8-83	Kenny Nicholson	Billings	Rural health proposal; rural health consortium bylaws; and rural health policy and procedures.
9-22-83	Paul Allen	Chicago	Dental policy and procedure manual.
Do.	Tim Taylor	Oklahoma City	Dental policy and procedure manual.
Do.	Amelia Moreno	Compton	UCRR and supplement manual.
Do.	Pat Cusich	do	Program assessment materials; self-evaluation resources; and quality assurance information.
Do.	Paul King	Bakersfield	Program assessment materials and superbill examples.
9-23-83	Pat Cusich	Compton	Program effectiveness review materials.
9-26-83	Debbie Cuny	Anaconda	Patient satisfaction surveys.
Do.	Tim Taylor	Oklahoma City	Patient satisfaction surveys.
9-27-83	Bob Angle	Salt Lake City	Dental policy and procedure manual; patient satisfaction surveys; clinic policy and procedure manual; and lab policy and procedure manual.
10-3-83	Joan Freeman	Compton	94-437 and 96-537 legislation.

TECHNICAL ASSISTANCE RESOURCE DESSEMINATION—Continued

Date	Person	Program	Resources provided
10-12-83	Samratree Jagessar	New York	Patient care logs; clinic policy and procedure manual; patient satisfaction surveys; dental policy and procedure manual; health maintenance schedules; patient care protocols; home health policy and procedure manual; quality care and chart review materials; and patient care followup information.
10-13-83	Nathalie Beard	Detroit	IHS and unlisted tribal codes.
Do.	Susan Tall Bull	Missoula	Purchasing and procurement manual; personnel policies and procedures manual.
10-14-83	Ruby Larsen	Helena	Quality assurance and chart review materials.
Do.	Susan Tall Bull	Missoula	Board policy and procedures manual.
10-20-83	Victor Ong	Tucson	Patient satisfaction surveys and patient bill of rights and responsibilities.
10-24-83	Paul King	Bakersfield	SOAP reporting format references.
10-26-83	Ernie Big Horn	Miles City	Patient satisfaction surveys; property control manual; and purchasing manual.
11-10-83	Ray Johnson	Spokane	Patient bill of rights and responsibilities; dental policy and procedure manual; medical policy and procedure manual; patient chart review forms; and patient care log materials.
11-13-83	Susan Tall Bull	Missoula	Board committee manual.
11-15-83	Helen Flores	Fresno	Quality assurance manual.
Do.	Ray Johnson	Spokane	Quality assurance manual.
12-8-83	Rose Cobb	Fresno	Property management manual and purchasing procurement policy manual.

REGIONAL WORKSHOPS CONDUCTED ON DATA COLLECTION AND COMMON REPORTING REQUIREMENTS

June 30, 1983—Wichita, Kans.

Indian Health Care Resource Center (Tulsa): Carmelita Skeeter, clinic director.

Dallas Inter-Tribal Center (Dallas): Rick Lucero, executive director; John Powell, fiscal officer; Milton Plomeriti, clinic manager; and Ada Perry, board member.

Oklahoma City Urban Indian Health Center (Oklahoma City): Tim Taylor, executive director and Mary Helen Smith, R.N.

Wichita Urban Indian Health Center (Wichita): Bert Steeves, executive director; Chuck Love, assistant director; Al Halfmoon, bookkeeper; Patrick Daniels, dentist; and Bob Brown, consultant.

Indian Health Service/Oklahoma area office (Oklahoma City): Luke McIntosh, assistant area director; Margaret Patterson, project officer; and Gary Evans, contract officer.

UCRR WORKSHOPS

August 29, 1983—Seattle, Wash.

Seattle Indian Health Board (Seattle): Rebecca Gonzales, assistant director; Roxie Wilkens, F.N.P.; John Ketcher, clinic director; and Diane Cook, administrative assistant.

Spokane Urban Indian Health Service (Spokane): Anna Ybarra, medical assistant and Pat Little, office manager.

August 1, 1983—San Francisco

Salt Lake Indian Health Center (Salt Lake City): Robert A. Angle, executive director.

Nevada Urban Indians (Reno): Frances Shaw, CH coordinator and Carla Molino, director.

Indian Health Center/San Jose (San Jose): Elizabeth Barnes, billings; Elizabeth Reynolds, CHR; and Lily Alvarez, fiscal officer.

Sacramento Urban Indian Health (Sacramento): Mary Enriquez, fiscal officer.

California Urban Indian Health Council (Oakland): Jennifer Luniga, fiscal officer.

Indian Health Service/California Program Office (San Francisco): Michael Fuchs, projects officer.

San Francisco Urban Indian Health (San Francisco): Jerome West, executive director.

August 4, 1983—Los Angeles

Associated Indian Services Inc. (Fresco): Delta McKelroy, fiscal officer and Helen Flores, clinic manager.

American Indian Council of Central California (Bakersfield): Jim Feliz, director.

American Indian Free Clinic (Comptom): Dee Hinman, executive secretary and Donna Estrella, data clerk.

American Indian Free Clinic (Los Angeles): Becky Little, medical assistant and Melinda Hubbard, receptionist.

August 9, 1983—Phoenix, Ariz.

Indian Community Health Services (Phoenix): Erma Mundy, executive director; Barney Baiz, CHN supervisor; Melinda Aguirre, home aide/advocate; Cricket Molina, L.P.N.; and Thelma Yazzie, L.P.N.

Albuquerque Urban Indian Health Clinic (Albuquerque): Pat Miller, R.N.; Bev Wilkins, program supervisor; and Charles Cadena, health director.

Traditional Indian Alliance (Tucson): Victor Ong, director.

August 12, 1983—St. Paul

Indian Health Board of Minneapolis (Minneapolis): Laren Anderson, biostatistician.

Milwaukee Indian Health Board (Milwaukee): Mike Hanna, systems manager and Joan Stromberg, clinic administrative assistant.

American Indian Health Service of Chicago (Chicago): Yvonne Keshick, secretary/receptionist; Paul Allen, executive director; and Ellen Cortes, bookkeeper.

Detroit American Indian Health Center (Detroit): Chris Bell, office manager.

American Indian Community Center (New York): Sammi Jagessar.

South Dakota Urban Indian Health (Pierre and Sioux Falls): Jean Marrs, medical tech; Jo Herr, administrative assistant; Vicki Hurst, medical asst-lab tech.; and Lois Fallis, director.

Denver Indian Health Board (Denver): Rick Buckanaga, executive director.

August 18, 1983—Billings

Billings American Indian Council (Billings): Kenny Nicholson, health director; Alene New, outreach worker/clerk; and Jeannie Grant, outreach worker.

Native American Center (Great Falls): Carol Owens, health director.

Helena Indian Alliance (Helena): Ruby Larsen, administrative secretary and George Henkel, executive director.

Indian Development and Education Alliance (Miles City): Ernie Big Horn, health director.

Butte Indian Health (Butte): Caroline O'Neill, health director.

Qua Qui Corp. (Missoula): Susan Tall Bull, health director.

Anaconda Indian Alliance (Anaconda): Debbie Cuny, health director.

SECOND EVALUATION RESULTS

Senator McCLURE. A second evaluation was conducted last fall. Are the results of this evaluation available?

Dr. RHOADES. Yes; the results are available in draft form, Senator McClure. Just recently, a matter of the last few days, they were supplied to me by the Indian Health Service—it's not completed—for my submission to Dr. Graham. I suspect that will be completed by the end of next week.

Senator McCLURE. Is it fair to ask, knowing that it's in process at this time, did the results indicate any improvement in those projects which had identified deficiencies in the first evaluation?

Dr. RHOADES. There's one small proviso that I think should be kept in mind; that is that the nature of the evaluation that was done in 1981 is somewhat different from the evaluation done at the present time.

But, within that context, I think it is clear to the reviewers that there has been substantial improvement in various elements of the operation of the programs since 1981. I believe that something like 70 percent of the identified deficiencies—which at that time were admittedly more readily correctible, very much like some of the deficiencies that exist in relationship to accreditation by the Joint Council on Accreditation of Hospitals; for example, documentation of a personnel policy, documentation of quality control and so forth—had been corrected by the time of the second evaluation.

Senator McCLURE. Are any programs recommended for closure?

Dr. RHOADES. The nature of the current evaluation wasn't designed to lead to recommendations for closure; but no recommendations for closure of a program have been made a as a result of the last evaluation.

Senator McCLURE. Are any programs recommended for expansion?

Dr. RHOADES. No, sir. I believe that none have been recommended for expansion.

CONTRACT SUPPORT FUNDS

Senator McCLURE. As part of the fiscal year 1984 budget, Congress added contract support funds to enable the Tanana chiefs conference to contract for the operation of a service unit as otherwise program funds would have had to be diverted to meet the contractor's overhead costs.

Has that contract been negotiated? And how much of the $400,000 was required for the negotiated indirect cost rate?

Dr. RHOADES. Mr. Chairman, we are still in the precontract negotiation phase with the Tanana chiefs conference. They have not actually submitted a proposal for contract at this moment. So I cannot answer how much of that $400,000 will actually ultimately be negotiated.

Senator McCLURE. Have you any estimate of the number of new contracts and the dollar volume of those contracts which IHS will be signing in fiscal year 1985?

Dr. RHOADES. No, sir. I do not. There was a lull in new contracts over the last 2 years. The staff and headquarters, that are working with tribes, have indicated to me that there seems to be an increasing interest on the part of the tribes to take over more services.

So I anticipate that we may have more requests. I don't have any way to estimate a number for you.

PARKER HOSPITAL

Senator McClure. Two years ago, IHS requested Congress to approve the use of funds derived from reimbursements to renovate several clinics. This request was approved after some delay.

One of those facilities to be renovated was the outpatient clinic at the Parker, Ariz., hospital. There were also long-range plans to provide a replacement facility at Parker.

The Colorado River Indian tribes have chosen to dedicate a portion of their community development block grant funds for renovation of the inpatient portion of the Parker facility. By accomplishing both renovations at the same time, savings could be realized, and the need for a replacement facility would be obviated.

Unfortunately, IHS and the tribe have been unable to reach an agreement on a mechanism which will allow both projects to go forward as a package deal.

What is the current status of your negotiations with the tribes on the Parker hospital?

Dr. Rhoades. That is a very complicated arrangement, Senator McClure, like many Indian Health Service activities seem to be. The tribe certainly is to be commended for finding a way to get funds to renovate the inpatient facility.

The question that we are examining right now and have asked the Office of General Counsel in the Department of Housing and Urban Development to answer for us is whether or not funds that are received by them for renovation of an Indian Health Service facility represents augmentation of the appropriation of the Indian Health Service and is, therefore, illegal.

We have not yet received an answer about that question.

Senator McClure. Would legislation be of help to resolve that question?

Dr. Graham. Senator, I would like to say it appears that we are at an impasse because of a technical provision in the view of the lawyers; that is, we don't want to be charged with improper augmentation of appropriations.

It may well be that the committee making its intent clear would be of assistance.

Senator McClure. You don't object to the arrangement; it is just that you don't want to get caught in any kind of technical violation of the augmentation rule?

Dr. Graham. As Dr. Rhoades has said, we really commend the tribe for taking the initiative to find a solution. It is just the solution causes us a little bit of statutory problem.

Senator McClure. On that particular issue, it is not a question of whether you want to go forward or not; if it were not for this problem, you would go forward?

Dr. RHOADES. We believe that it is needed, and we support it.

I might just add that the outpatient facility at Parker is on the priority list for the Indian Health Service.

Senator McCLURE. Would you provide us some technical assistance in providing language that would solve that problem for you?

Dr. GRAHAM. We would be happy to do so, sir.

CONTROLS ON TRIBAL CONTRACTS

Senator McCLURE. An article appeared on March 1 in the Daily Oklahoman Times concerning an audit of IHS tribal contracts awarded by the Oklahoma City area office.

According to the article, the Inspector General's Office found that there was virtually no control over how the money was used and that there was little assurance that Federal funds were properly spent, Federal property was properly accounted for, and that the tribes and organizations provided Indian people with intended health services.

A spokesman for the area office agreed with this assessment.

How typical is the Oklahoma City contract monitoring and control process?

Dr. RHOADES. Mr. Chairman, if I might just answer that with a very, very small preamble and point out that that investigation was done at the request of Indian Health Service to seek assistance in analyzing that very situation.

I think there is every reason to believe that as a result of recent historical developments relating in large extent to contracting under 638, which provides us to contract the tribes for activities and services which tend to be outside the normal contractable items.

For example, we contract with them for feasibility studies, for development of administrative support, and for planning that, in my opinion, are somewhat more difficult to quantify in terms of deliverable goods.

Against that background, I think it is safe to say that the general finding in the Oklahoma area is one that applies to that.

Senator McCLURE. What action do you plan to take to improve the fiscal controls in Oklahoma City, in particular, and as we have stated, systemwide in general?

Dr. RHOADES. The Oklahoma City area, in particular, even before the findings of the Inspector General were made available, had instituted a number of corrective techniques that I think it is probably fair to say come under the general term of accountability and closer relationship between project officers in Indian Health Service and the actual procurement in the contracting office itself.

I think it is probably fair to add, also, coming from a background of experience with tribal groups and tribal contracting, that in the late 1970's, I think it is only fair to say that there was indeed a general attitude that Indian Health Service was to serve as a passthrough, so to speak, for funding of tribes, and at that time accountability was not the most urgent consideration, although perhaps it should have been.

We are engaged in continuing discussions with the tribes, making more clear to the tribes just what it is that we expect and the level of performance that we do expect, and to emphasize to the tribes once again that we still have—even though we are directed to turn over activities that we provide—the obligation to provide quality within the Indian Health Service.

Senator McClure. Obviously, there was a problem since that, or you wouldn't have asked that the evaluation be done. Obviously, the problem is admitted, or the spokesman for the area office wouldn't have agreed with the the assessment that was made. Obviously, you recognize it and are moving to correct it.

I think we ought to note for the record that we commend you for that kind of openness in the process and at the same time hope that it bears positive fruit.

Dr. Rhoades. There is every expectation that it will, of course. You touched on a problem that goes to this question as well, and that is in the past when a new activity has been developed Indian Health Service, quite appropriately in my opinion, with the philosophy of passing as much of that money to the tribes and to the individual Indians as possible, we did not set up an administrative structure to really monitor contracting.

A number that startled me a little bit, as I recollect the story, is that there are 80 project officers in Oklahoma, and what we have had to do is to assign individuals who have other duties already within an area office. We say, OK, Mr. So and So, you are now the project officer for this contract. The contract is often of considerable complexity, and we have not provided the training for those individuals in how to be a project officer.

TERMINATION OF CONTRACTS

Senator McClure. Other than urban health programs, has Indian Health Service terminated any contracts in the past 3 years due to performance of the contractor?

Dr. Rhoades. Yes; I believe we have. I believe that there was a California contract that may have been wrapped up in a threshold issue of the appropriateness of Public Law 93-638. I would be happy to provide specifics.

Senator McClure. You think there may have been one in the last 3 years?

Dr. Rhoades. Mr. Roach advises me that there has been one alcoholism project. Perhaps we should just provide that to you.

Senator McClure. Would you supply that for the record, please?

[The information follows:]

Termination of Contracts

There were only three terminations made during the past 3 years. The Billings area has terminated two buy Indian contracts and the Phoenix area terminated/reassumed a Public Law 93-638 contract.

FINDINGS OF GAO AND INSPECTOR GENERAL AUDITS

Senator McClure. Would you also provide for the record a brief description of the findings of all the GAO and Inspector General audits and reports conducted in the last 2 years and note which audits have been satisfactorily resolved?

Dr. Rhoades. Yes.

[The information follows:]

OFFICE OF INSPECTOR GENERAL REPORTS
FY 1981 to Present

1. "Need to Require that Major Public Health Service (PHS) Construction and Improvement Projects Comply with Established Review and Approval Procedures"
   #ACN 12-33194 - (no date)

   Several facilities improvement projects were performed without required PHS reviews and approvals. Some unreviewed Indian Health Service (IHS) projects were performed using operating funds, which is in violation of appropriation spending rules.

2. "Review of Contracting Practices within IHS Oklahoma City Area Office"
   #ACN 06-45009 - February 23, 1984

   Deficiencies found in awarding of contracts included: (1) post-award contract monitoring, (2) clearly defined measurable criteria, and (3) established reviewing procedures to ensure contracting practices

3. "Results of Review of Portland Area Indian Health Service's Management of Contract No. 248-80-0020 Awarded to the Puyallup Tribe of Indians"
   #ACN 10-33001 - February 10, 1983

   Two issues contained in the report were splitting modifications to avoid obtaining approval from headquarters officials for modifications in excess of $100,000 and backdating these modifications and the use funds for purposes for which they were allocated.

4. "Audit on Selected Aspects of Financial Management at the IHS, Aberdeen, South Dakota
   #ACN 08-23004 - October 23, 1981

   Objectives of this audit were to determine whether: (1) obligation and disbursement practices were adequate, (2) inventory practices were adequate, (3) imprest fund controls at Rapid City were sufficient, (4) controls over the eyeglass program were adequate, (5) financial reports generated by HSA headquarters for IHS were timely, reliable, and effectively used by management, (6) administrative expenses wre properly distributed to the appropriate programs, and (7) adjusting and closing entries were adequate.

Of the Office of Inspector General (OIG) and General Accounting Office (GAO) audit reports reviewed within the past two years (October 1, 1981 through present) all, except for two, have been satisfactorily resolved. The two reports still being monitored as of March 28, 1984 are: (OIG)"Reviewing of Contracting Practices within IHS Oklahoma City Area Office" ACN 06-45009, and (GAO) "Millions Can Be Saved Through Better Energy Management in Federal Hospitals", HRD 82-77.

GENERAL ACCOUNTING OFFICE REPORTS
FY 1981 to Present

1. "Opportunities to Increase Veterans Administration's Medical Care Cost Recoveries"
   #HRD-84-31 - February 13, 1984

   This report was forwarded to the Department for comment even though the report does not contain any recommendations specifically addressed to the Department. The objective of this report was to determine whether per diem and sharing agreement rates VA charged liable third parties and others were sufficient to recover the costs of care provided.

2. "Medicare/Medicaid Funds can be Better Used to Correct Deficiencies in Indian Health Service Facilities"
   #HRD 83-22 - August 16, 1983

   GAO recommends that the Assistant Secretary for Health revise Indian Health Service (IHS) procedures to allow unobligated Medicare/Medicaid collections to be distributed to IHS facilities with unmet needs. Also, General Accounting Office (GAO) recommends that the Assistant Secretary for Health increase the efficiency of IHS' Medicare/Medicaid billing and collection system in such a way to eliminate duplication functions among the various IHS organization levels and increasing automation of the system where justificable by cost savings.

3. "Opportunity to Avoid Construction at Certain IHS Hospitals"
   HRD 82-122 - September 29, 1982

   GAO reviewed factors which contributed to the low utilization of inpatient services at nine IHS hospitals and whether cost-effective alternatives existed for providing IHS inpatient care at small, isolated facilities.

4. "Millions Can Be Saved Through Better Energy Management in Federal Hospitals"
   #HRD 82-77 - September 1, 1982

   GAO recommended ways to improve energy management programs in IHS hospitals by comparing energy savings achieved by Federal hospitals with non-Federal hospitals

5. "Indian Health Service Not Yet Distributing Funds Equitably Among Tribes"
   HRD 82-54 - July 2, 1982

   To improve the needs-based ranking system by developing more reliable data for estimating health care requirements and available resources and to develop and implement a more equitable funding allocation system.

6. "Availability of Nurse-Midwife Services Under Federal Health Care Programs"
#HRD 82-79 - June 4, 1982"

This was a GAO Letter Report expressing concern from Senator Inouye that we review the availabilty of the services of nurse-midwives under various Federal health care programs. This report contained no recommendations and did not require a response.

ADDITIONAL COMMITTEE QUESTIONS

Senator McClure. There will be other questions submitted for the record by myself and other members of the subcommittee.

Thank you for your testimony here this morning. We look forward to working with you in trying to improve the efficiency and the effectiveness of the delivery systems.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

MAINTENANCE AND REPAIR

Question: In Fiscal Year 1984 Congress provided an increase of $10 million to help meet the backlog of essential maintenance and repair projects. This increase is not continued in the Fiscal Year 1985 budget. The justification states that facilities management program has work plans designed to assure functional utilization, efficient operation, cyclic maintenance and dependable repair, required alterations, modernization, renovations and final disposal of Indian Health Service (IHS) facilities. According to that system, is the budget request of $8,745,000 sufficient to meet the previously stated objectives?

Answer: The IHS current "Backlog of Essential Maintenance and Repair" (BEMAR) deficiency totals over $65.6 million. The $10.0 million will be used to correct high priority BEMAR deficiency items and $2.5 million from the regular annual maintenance and repair program ($8.3 million) will be applied toward reducing these deficiencies. The current deficiency of $65.6 million would be reduced to approximately $53.1 million in Fiscal Year 1984.

SCHOLARSHIP PROGRAM

Question: Indian Health Service Scholarship applications are ranked according to a 100 point scale. What was the cut-off level for funding scholarships for the latest year data if available?

Answer: The cut off level for funding scholarships during Fiscal Year 1983 was 80 - for the pre-medicine pre-graduate program. The score was 70 for nursing and the other categories.

Question: How many applicants who qualified on the basis of being an Indian, being accepted at a school, and having a 2.0 grade point average were turned down for scholarships?

Answer: Approximately 560 students were turned down who had a grade point average of 2.0 or above. During Fiscal Year 1983 approximately 150 awards were made that were new awards. During that same period the Indian Health Service received over 800 applicants that were qualified and fundable.

Question: All scholarship applications are sent to Washington for a final determination. Some have suggested that the children of Indian health Service (IHS) employees in Rockville have an unfair advantage due to name recognition. Have you instituted a system which provides a numerical identification rather than actually using the applicant's name.

Answer: A system is being implemented which uses outside non-Indian reviewers from academia to review each application. Each application will be ranked and reviewed by these reviewers. Lists will then be compiled and submitted to the Director, IHS with a recommendation for approval. P.L. 94-437 provides that the Secretary acting through the Service, i.e., the IHS Director, shall make the determination as to who will receive an award.

Question: Dr. Rhoades, last year at a meeting requested by staff, you indicated that all applications are reviewed by three people--even those who are ineligible from the start due to the fact that they do not have the required grade point average. Is the same system still in effect?

Answer: All applications are reviewed, even those without a 2.0 grade point average. This process was instituted to remove the political pressure from the Area Scholarship Coordinators and Grants Officers at the local level where the sons, daughters and relatives of tribal officials were submitting their applications. We discovered after several years of operating the program that tremendous pressure was brought to bear upon these Indian Health Service officials at the local level to approve applications of those individuals that were directly connected with the Tribal Officials.

INDIAN HEALTH MANPOWER

Question: Is there any connection between the scholarship program and the long-range requirements of each of the Indian Health Service (IHS) area offices?

Answer: Yes. Each Professional Branch Chief is requested to determine the attrition rate and vacancy rate of their profession by Area/Program and provide that information to the Director, IHS. The Director, IHS uses that information to determine the Scholarship Award priorities and the number of awards in each professional category.

Question: Aren't people more likely to fulfill their service obligation if allowed to serve in an area of their choice and isn't their choice usually to remain close to home?

Answer: Yes to both questions. Students usually prefer to remain close to home and data seems to support the hypothesis that when assigned close to home they continue to work for the Indian Health Service after their service obligation is complete.

Question: For the record, please provide a list of the educational institutions where students on Indian Health Service Section 104 scholarships have less than 50 percent completion rate and those where the completion rate is higher than 75 percent.

Answer: The following is the list of schools with a greater than 75 percent completion rate:

ARIZONA STATE UNIVERSITY
BAYLOR UNIVERSITY SCHOOL OF MEDICINE
COLLEGE OF ST. SCHOLASTICA
COLORADO STATE UNIVERSITY
EAST CAROLINA UNIVERSITY
FORT LEWIS COLLEGE
HARVARD UNIVERSITY
MCLEOD REGIONAL MEDICAL CENTER
MONTANA STATE UNIVERSITY

75 percent completion rate continued:

PEMBROKE STATE UNIVERSITY
PIMA COMMUNITY COLLEGE
PRESENTATION COLLEGE
STANFORD UNIVERSITY SCHOOL OF MEDICINE
UNIVERSITY OF CALIFORNIA
UNIVERSITY OF HAWAII
UNIVERSITY OF NEW MEXICO
UNIVERSITY OF NORTH CAROLINA
UNIVERSITY OF NORTH DAKOTA
UNIVERSITY OF OKLAHOMA

The following is a list of schools with less than 50 percent completion rate:

ARIZONA STATE UNIVERSITY
CAMERON UNIVERSITY
COLLEGE OF THE DESERT
EASTERN MONTANA COLLEGE
NORTH ARIZONA UNIVERSITY
NAVAJO COMMUNITY COLLEGE
NE OKLAHOMA STATE UNIVERSITY
NEW MEXICO STATE UNIVERSITY
NORTHERN ARIZONA UNIVERSITY
NORTHLAND PIONEER COLLEGE
OGLALA SIOUX COMMUNITY COLLEGE
OSCAR ROSE JUNIOR COLLEGE
PORTLAND COMMUNITY COLLEGE
SINTE GLESKA COLLEGE
THE COLLEGE OF GANADO

Urban Indian Health Programs

Question: Along with the information earlier requested for the record, please indicate the scores of each program on the first evaluation and the scores received on the second evaluation along with the problems cited in the second evaluation.

Answer: Because of the differences in methodology used in the two evaluations, we felt it would be inappropriate to rank the projects. Some of the projects were found to need improvement in records management and reporting; measurable goals and objectives; financial reporting systems; billing and collection systems; and quality assurance (medical and dental).

Contract Support Funds

Question: Have you an estimate of the amount of money which will be required for the indirect cost portion of new contracts the Indian Health Service will be signing in Fiscal Year 1985?

Answer: There is no accurate way to predict the amount of money that would be required since it is all based upon the number of programs that each tribe takes over. The indirect cost varies from tribe to tribe, and ranges in some instances as low as $10,000 to $20,000 to as high as $500,000, based on the size of the contract and the negotiated indirect cost rate.

Question: Please provide a four year history of new contracts entered into each year, the indirect costs associated with the contracts, and the source of the funds, if any, used to support the indirect cost portion of the agreements.

Answer: Not available at this time, however, will be submitted at a later date.

Question: What is the relationship, if any, between the tribal management program and indirect cost?

Answer: There is a direct relationship between the tribal management support program and indirect costs. Over the years the tribal management support monies have been used for new tribes and tribes expanding their control over health programs. When this occurs, the monies which initially funded a tribe in and above program costs have been transferred to the hospital and clinic budget activity to become a recurring base for the tribe. However, because of the limited funds that have been available, this practice has not been followed in the past two or three years. Rather, tribal management funds have been non-recurring and used primarily for planning, startup, development and indirect costs. Permanent indirect costs, for the most part, have had to come from the program monies, from the tribes themselves, or funded on a limited, restrictive basis.

FACILITIES STAFFING

Question: Several new facilities were opened last year. Is the staffing at these facilities comparable to staffing levels at other comparable facilities?

Answer: The level of staffing for these facilities is comparable to other recently opened Indian Health Service facilities.

Question: Are any new facilities scheduled to be opened in Fiscal Year 1985? If so, how will they be staffed?

Answer: There are no new/replacement health facilities scheduled to be opened in Fiscal Year 1985.

Question: Does the Indian Health Service (IHS) have a system to periodically review utilization and costs with an eye toward eliminating or consolidating some of its facilities?

Answer: The IHS has various systems in place to periodically review aspects of the provision of health services. Service unit and area office reviews are conducted throughout the year. Planning for resource requirements include the consolidation of various services at service unit and/or service area locations. As an ongoing aspect of the provision of health care, reviews are conducted on the utilization levels in accordance with quality assurance criteria. The application of the IHS Facilities Construction Priority System includes consideration of alternate sources of care when reviewing the need for new, replacement or modernized facilities. This system is applied at least biannually.

Since the General Accounting Office report, "Opportunity to Avoid Construction at Certain IHS Facilities", on the low utilization levels in nine IHS inpatient facilities, the IHS has reevaluated the cost to provide inpatient care directly at these locations compared to the cost of contract care. This reevaluation indicates that it is cost effective to provide inpatient care directly.

In addition to the above review mechanisms, the IHS is in the process of coordinating the results of various efforts which may affect the continued provision of inpatient services.

Question: Every once in a while, we hear of Indian Health Service (IHS) clinics which have no medical staff and which are seeing no patients. For the record, please indicate which facilities as of December 31, 1983, if any, had no IHS medical personnel, what alternative resources were available for IHS beneficiaries, and what costs were incurred in maintaining unused facilities, or in maintaining non-medical personnel who could not work due to lack of medical staff.

Answer: As of December 31, 1983, no IHS facility was without medical personnel. All facilities had at least one physician and other providers throughout calander year 1983. Some facilities have periodically experienced less than full staffing. In this event, arrangements are made to meet the health needs of the population. Such arrangements include the use of local physicians and the purchase of services from local private providers.

Contract Care Management Improvements

Question: Page 54 of the justification indicates that a number of the recommendations of the Task Force have been implemented. For the record, please indicate which of the recommendations have been implemented, which additional recommendations Indian Health Service plans to implement administratively, which recommendations require Congressional action, and which recommendations will not be implemented.

Answer: The attached copy of the February 1984, Status Report on Tentative Plans for Implementation of the Task Force Recommendations contains the status and plans for each implementation.

Status of Recommendations from the IHS CHS Task Force Report

The following is a brief status of the recommendations from the CHS Task Force Report:

1. Employ terminology that is more descriptive of IHS resources, programs, and activities.

   Status - This recommendation has been implemented.

2. Reorient management policy for IHS clinical services to reflect assurance by IHS to its service population for predetermined priorities of medical services.

   Status - The IHS is in the process of examining options related to this recommendation.

3. Limit IHS services to individuals of Indian blood (a) who are members of federally recognized tribes, (b) who live within clearly defined service areas, and (c) formally enrolled for IHS services.

   Status - Not implemented.

4. Employ uniform eligibility requirements without regard to source of services - i.e., IHS direct services and IHS contract services.

   Status - Under review. Needs further discussion with the Indian people.

5. Establish levels of medical priority which group services in categories according to medical necessity.

   Status - The IHS is in the process of examining options related to this recommendation.

6. Satisfy all IHS enrollees' needs for services in order of priority category before authorizing services in the next lower category.

   Status - This recommendation was rejected by the IHS Director.

7. Allocate funds for clinical services as a single accounting subactivity that includes both services provided by IHS directly and those arranged through contract.

   Status - Requires Congressional action.

8. Adopt uniform definitions of IHS service areas.

   Status - Under review. Needs further discussion with Indian people and then if implemented, a change in regulations.

9. Allocate clinical service funds among IHS service areas.

   Status - This is an on-going activity of IHS.

10. Develop CHS procurement plans for each fiscal year.

    Status - The recommendation has been implemented.

11. Direct area offices to oversee their service unit procurements, assume responsibility for complex procurements, and negotiate large contracts.

    Status - The recommendation has been implemented.

12. Comply with procurement regulations by making improvements in areas that are deficient.

    Status - The recommendation has been implemented.

13. Reimburse providers of contract health services at rates developed according to the Medicare methodology.

    Status - Congressional action would be required to make this mandatory for the hospitals as a condition of their Medicare participation.

14. Seek appropriate means for IHS to make retroactive adjustments for payments which apply to previous fiscal years.

    Status - If recommendation #12 above is implemented, this issue becomes moot.

15. Phase in the use of fiscal agents to process CHS claims and develop detailed technical plans for implementing this recommendation.

    Status - A HHS study by MACRO Systems eliminated the necessity of implementing this recommendation. This study concluded that a fiscal agent could not operate more accurately or more efficiently than IHS currently does.

16. Assure that all IHS enrollees have a unique identification number compatible with the Medicare and Medicaid information systems.

    Status - This recommendation has been modified to a registration system and is being implemented.

17. Aggressively implement IHS policy of maximizing the use of all available third party resources and assure that IHS enrollees apply for all such benefits for which they may be eligible.

    Status - This recommendation has been implemented.

18. Develop appropriate mechanisms to assure that third parties (e.g., private insurance companies) are billed to the extent of their liability for the cost of care provided Indians in IHS facilities and that IHS can retain the receipts.

    Status - This recommendation has been implemented.

19. Explore various means of gaining access to state Medicaid enrollment information.

    Status - This recommendation has been implemented.

20. Require non-IHS providers to notify IHS within 24 hours of emergency services rendered to IHS enrollees.

    Status - This recommendation was rejected by the IHS Director.

21. Develop implementation plans to provide the equipment, software and technical expertise necessary to support service population

enrollment and implementation of other Task Force recommendations.

Status - This recommendation has been implemented.

22. Provide this report to IHS constituents for purposes of eliciting comments and suggestions.

    Status - The recommendation has been implemented.

23. Develop detailed plans for implementing each of the Task Force's recommendations.

    Status - The recommendation has been implemented.

24. Monitor the implementation of the Task Force's recommendations and evaluate the effectiveness of IHs management on an ongoing basis.

    Status - The recommendation has been implemented.

Question: In place of the prohibition against implementing clinical care priorities, now would you view authorization of a demonstration project to be carried out at several service units or even on an area level, with the consent of the tribe or tribes involved, to ascertain what the impact of the system would actually be?

Answer: If specific funding were made available to carry out this demonstration project, we would welcome it.

SUBCOMMITTEE RECESS

Senator McClure. The subcommittee will stand in recess until March 15 at 10 a.m., at which time we will review the fiscal year 1985 budget estimates for the Fish and Wildlife Service.

Dr. Rhoades and Dr. Graham, thank you.

[Whereupon, at 10:40 a.m., Thursday, March 8, the subcommittee was recessed, to reconvene at 10 a.m., Thursday, March 15.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1985

THURSDAY, MARCH 15, 1984

U.S. Senate,
Subcommittee of the Committee on Appropriations,
Washington, DC.

The subcommittee met at 10:30 a.m., in room SD–138, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senators McClure and Burdick.

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

STATEMENT OF CRAIG POTTER, DEPUTY ASSISTANT SECRETARY FOR FISH AND WILDLIFE AND PARKS

ACCOMPANIED BY:
- ROBERT A. JANTZEN, DIRECTOR, FISH AND WILDLIFE SERVICE
- F. EUGENE HESTER, DEPUTY DIRECTOR
- HAROLD J. O'CONNOR, ASSOCIATE DIRECTOR, HABITAT RESOURCES
- RONALD E. LAMBERTSON, ASSOCIATE DIRECTOR, WILDLIFE RESOURCES
- JOSEPH H. KUTKUHN, ASSOCIATE DIRECTOR, FISHERY RESOURCES
- ROBERT E. GILMORE, ASSOCIATE DIRECTOR, FEDERAL ASSISTANCE
- RICHARD H. SMITH, ASSOCIATE DIRECTOR, RESEARCH
- EDWARD L. DAVIS, ASSOCIATE DIRECTOR, ADMINISTRATION
- EDWIN A. VERBURG, ASSOCIATE DIRECTOR, PLANNING AND BUDGET
- ROBERT J. LAMB, CHIEF, DIVISION OF BUDGET OPERATIONS, OFFICE OF BUDGET

BUDGET REQUEST

Senator McClure. Good morning. This is the time scheduled for the committee to review the fiscal year 1985 budget request for the U.S. Fish and Wildlife Service.

The budget request for the Fish and Wildlife Service totals $363,987,000, an increase of $10,326,000 over fiscal year 1984 appropriations to date. That is a 3-percent increase.

The Service also has pending before the committee a fiscal year 1984 supplemental request of $1,031,000, of which $440,000 will cover firefighting costs incurred in prior years and $591,000 is needed to finance the closure of fish hatcheries as provided for in the fiscal year 1984 conference report.

PREPARED STATEMENTS

Mr. Potter and Mr. Jantzen, it is a pleasure to welcome you again before this subcommittee. Your opening statements will be included in full in the record at this point.

[The statements follow:]

STATEMENT OF CRAIG POTTER

Mr. Chairman, I would like to thank you for the opportunity to discuss the fiscal year 1985 budget for the Fish and Wildlife Service. The FY 1985 budget proposal for the Fish and Wildlife Service is $529,791,000. Congressional action is needed on $363,987,000 which is the discretionary portion of the budget request.

Mr. Chairman, the Department is very concerned about the nation's wetland resources. According to recent estimates, approximately 500,000 acres of natural wetlands are destroyed each year. As a result, less than half of the wetland acreage which existed during colonial times remains today. The Fish and Wildlife Service is the primary agency charged with preserving wetlands. The FY 1985 budget affirms this responsibility by accelerating Federal and State wetland conservation. We are proposing $20 million for federal acquisition of 21,035 acres of valuable wetlands habitat in four states. Funding for this and a new State grant program would be through the Land and Water Conservation Fund. States will be encouraged to undertake projects to preserve and improve wetlands and related fish and wildlife through creation of a program of matching grants. Approximately $7.5 million is requested to initiate these grants which will be allocated on a 3-to-1 Federal/State basis. Other wetlands related initiatives include $800,000 for a study of activities that stimulate or accelerate wetlands losses and $1.5 million for computer hardware and software to improve the National Wetlands Inventory Program.

The Service budget also proposes $6.0 million for demonstration projects and research related to acidified surface waters. Most of these funds will be provided to States to test methods of application and buffering agents which may be used to restore sport fishery values. The remaining $1.0 million will be used to evaluate the effectiveness of the various methods used to revitalize the surface waters.

In fiscal year 1985, the Service is requesting an increase of $1.6 million for monitoring and research activities on the effects of contaminants on fish and wildlife. The Service's current monitoring activities are showing an increasing spectrum of contaminants in fish and wildlife throughout all geographic regions of the United States. Increased efforts will be applied to monitor the trend of resource contamination, to evaluate the effect of the contaminants on fish and wildlife, and to identify management actions that may be warranted for regionally identified contaminant concerns.

Increased emphasis is placed on endangered species in the fiscal 1985 budget. Listing activities will be substantially increased along with research and recovery activities. In addition, the program of grants to States for endangered species will be doubled at the FY 1985 request level of $4.0 million.

The Fish and Wildlife Service's budget also contains increased funding for refuge maintenance, hatchery operations and maintenance, law enforcement and waterfowl management and research activities. Proposals are included that will provide acquisition of 45,540 acres of refuge land in the LWCF and continue the anadromous fish grants.

I believe that the requested budget provides a balanced approach towards taking care of the physical facilities and on-going programs of the Service while responding to changing needs and demands of the nation's fish and wildlife resources. Director Bob Jantzen and his staff are here to answer specific questions on the Fish and Wildlife Service budget request.

Mr. Chairman, this concludes my prepared remarks. I will be happy to answer any questions now or after Director Jantzen's opening statement.

STATEMENT OF ROBERT A. JANTZEN

Mr. Chairman, I appreciate the opportunity to appear before you this morning to discuss the President's fiscal year 1985 budget for the U.S. Fish and Wildlife Service. This is the first Fish and Wildlife Service budget to be submitted to Congress under Secretary Clark and the fourth under the Administration of President Reagan. I believe that this budget allows the Service to move forward in terms of meeting our Federal responsibilities for fish and wildlife and instilling a sense of cooperation and support with State and private interest groups.

Preceding budgets have emphasized the need to properly manage the resources under our care before expanding our responsibilities in other directions. I believe that we have made excellent progress in that regard both in terms of the actual condition of physical facilities which have been improved through the Accelerated Refuge Maintenance and Management Program, Jobs Bill, and in overall management of the Service such as the elimination of Area Offices and the restructuring of the law enforcement program. We believe it is time to focus additional resources on several other key areas which are critical to fish and wildlife conservation, including wetland conservation, acidified surface water restoration, contaminant impacts on fish and wildlife resources, and conservation of endangered species.

Before turning to an explanation of the FY 1985 budget request, I would like to briefly recap some of our accomplishments over the past year.

Through 1983 the National Wildlife Refuge System was comprised of 418 units, with 89.8 million acres. The Currituck National Wildlife Refuge is a recent addition to the refuge system that will provide protection for 5,175 acres of important habitat along the North Carolina coast. This acquisition of habitat for tens of thousands of wintering waterfowl is an excellent example of public/private partnership to achieve conservation goals as it was made possible by The Nature Conservancy which purchased the land for resale to the Service.

Since the resources entrusted to the Service are the heritage of all our nation's people, in managing our lands we attempt to maximize public use and benefits consistent with fish and wildlife conservation. During 1983, greater public use opportunities were presented, including new opportunities for hunting on 13 refuges and for recreational fishing on 24 refuges.

As you know, we previously proposed to terminate operational responsibility for fish hatcheries which primarily supported State recreational fisheries programs. Congress agreed with this underlying rationale and ended Service funding of 14 hatcheries in FY 1983. I am pleased to report that none of these hatcheries has been closed but, with transfer to State control, will continue to provide benefits to fishery resources and enhance recreational fishing opportunities. In 1984, the States are operating 14 fish hatcheries previously funded by the Service and BIA is funding operation of 4 other hatcheries. We have, I think, made progress toward redefining the Federal role and responsibilities with respect to the nation's fishery resources. The FY 1985 budget will enhance our capability for effective operation of the 65 hatcheries retained in the Federal system as one part of our commitment to those resources. In addition, we are requesting supplemental funding of $591,000 in FY 1984 for costs associated with the transfer or closure of eight hatcheries recommended in the

Conference Report of the 1984 Interior and Related Agencies Appropriation Act.

One of our highest priorities over the past three years in endangered species has been the development of recovery plans for our endangered and threatened wildlife and plant species. During fiscal year 1983, 43 recovery plans were approved and an additional 61 plans were in the draft stage of development. At the end of FY 1983, there were draft or final recovery plans developed for 74 percent of the 293 U.S. species listed at that time.

Preparation of the recovery plan is only the initial step. I am pleased to report that exceptional progress has been made in a number of our recovery programs as exemplified by the bald eagle and peregrine falcon. Historically the bald eagle was a common species along coastlines, inland lakes, and rivers. Eagles were known to nest in 45 of the lower 48 States. Loss of habitat and the use of the pesticide DDT contributed to the decline and by 1963 only 417 active eagle nests could be found. Today, after implementation of recovery efforts, including a corporate "outreach" program supported by the Seagram Distillery and the Dupont Company, the number of active eagle nests has increased to 1,480.

The peregrine falcon has also benefitted from captive breeding and release programs. A total of 178 young falcons were released in the East Coast and Rocky Mountain areas in 1983. In addition, peregrines have begun nesting in areas of the Eastern region where there had been no nesting activities since the 1960s. This successful peregrine recovery program is another example of a cooperative effort, with primary private participation by Cornell University and The Peregrine Fund.

Last year was also productive for our law enforcement efforts. We concluded a major investigation into the illegal killing and marketing of bald eagles and other federally protected birds, resulting in the arrest of 50 people in eight States. The investigation disclosed that more than 300 bald eagles had been killed to supply a black market trade in Native American artifacts. We also completed a six-month undercover investigation by Fish and Wildlife Service and State wildlife law enforcement officers which disclosed a massive illegal trade in game fish poached from public waters in Oklahoma and illegally marketed throughout the Midwest. More than 60 persons were charged in the case.

The corporate outreach which I mentioned in describing the bald eagle recovery program is an effort to involve corporations and other private organizations in the protection and management of natural resources. This effort is in keeping with the Administration's policy of having the private sector play an expanded role in supporting public interests. The corporate involvement is not limited to disseminating information but has also evolved to include direct financial support for wildlife conservation activities. More than 50 private corporations and organizations are now helping to promote the sale of "Duck Stamps" to non-hunters and foster greater awareness of the importance of wetlands.

This year the Service is commemorating the 50th anniversary of the Duck Stamp. Since 1934, the sale of Duck Stamps has generated receipts of $285 million for the purchase of 3.5 million acres of wetlands and other wildlife habitats that are now part of 186 national wildlife refuges. We look forward to participating in numerous activities such as a traveling museum exhibit and media outreach to celebrate this anniversary year and foster further sales.

We are continuing to pursue new opportunities for public/private sector cooperation in 1984. For instance, the Departments of the Interior and Agriculture soon will be signing a Memorandum of Understanding with Ducks Unlimited (DU) to facilitate cooperative efforts in the management of breeding waterfowl habitat on Federal lands in the lower 48 States. We hope to duplicate the success of the similar DU progam in Canada.

Let me now turn to the budget for FY 1985. Under our proposal, discretionary spending for the agency under the Resource Management appropriation would be increased by $20.3 million from the FY 1984 appropriation of $271.6 million. We are requesting $9.1 million in FY 1985 for Construction activities and Anadromous Fish Grants and $57.5 million for land acquisition activities. An anticipated increase of $11.2 million in permanent and trust funds would bring the total Service budget to $529.8 million, an increase of $21.6 million over the FY 1984 appropriation.

At this time, I would like to highlight the most significant changes proposed for fiscal year 1985.

Mr. Chairman, as you well know, perhaps the most critical aspect of fish and wildlife conservation is adequate land and water for these resources. Management, protection and enhancement techniques ensure that the Service can carry out its congressionally mandated responsibility to provide for the nation's waterfowl, endangered species and anadromous fish. Thus, we are proposing for FY 1985 major budget initiatives focused on protecting priority habitat that include the following areas:

- wetland conservation;
- acidified surface water restoration;
- contaminant impacts on fish and wildlife resources; and
- conservation of endangered species.

The first thrust reinforces the Department's commitment to the conservation of wetland resources. Wetlands are a valuable ecological resource that nurture wildlife, purify polluted waters, check the destructive power of floods and storms, and provide for recreational activities. However, during 20 years from the mid - 1950s to the mid - 1970s, it is estimated that the United States lost an estimated 458,000 acres of wetlands a year to agricultural development, urban encroachment, highway construction and other development activities. Current estimates are that approximately 54 percent of the wetlands that existed in colonial times have vanished forever.

Our budget proposal addresses these wetlands losses in several ways. We are requesting $20 million for Federal wetlands acquisition funded through the Land and Water Conservation Fund (LWCF). This proposal is consistent with legislation which is currently under consideration in Congress and will conserve an additional 21,035 acres of wetlands habitat. Areas included are Cache River in Arkansas, Humboldt Bay NWR in California, Anderson-Tully in Tennessee, and Ridgefield NWR in Washington. The second wetlands thrust will encourage State participation in wetlands conservation by establishing a program of matching grants funded out of the Land and Water Conservation Fund.

We are requesting $7.5 million for these grants which will be provided on a 3-to-1 matching basis for projects to preserve and improve wetlands, associated uplands and wetland related fish and wildlife. Related increases under the Resource Management Appropriation include $800,000 to fund a study of activities of government programs which contribute to the rate of wetland losses and $1.5 million to improve computer hardware and software used in the National Wetlands Inventory for map production and interpretation.

The remainder of our acquisition program includes $29 million under our existing LWCF program to acquire an additional 45,540 acres of fish and wildlife habitat for 14 refuges. Also included is $1 million for refuge acquisition management. While I am discussing land acquisition, I will also mention that we anticipate receiving $16.4 million in receipts from the sale of Migratory Bird Hunting and Conservation Stamps in FY 1985. This will enable us to purchase 33,160 acres of important breeding, migration and wintering habitat for waterfowl.

President Reagan has proposed for FY 1985 a major, new acid deposition research program. In conjunction with this initiative, the Service is recommending a budget increase of $6 million under our Habitat Resources program to develop restoration techniques for acidified surface waters through pilot demonstration projects in several States. Of the $6 million, $5 million is proposed for operational activities emphasizing the application of lime or other buffering agents to alter the chemical balance of lakes. This will be accomplished through cooperative agreements with States. The remaining $1 million will be used for research activities to evaluate the effectiveness of the liming and develop a manual of procedures and techniques to assist resource managers in mitigating the impacts of acidified surface waters upon fishery resources. The refinement of these techniques will allow resource managers to move quickly to restore these waters.

Another major initiative shown under the Habitat Resources program is directed towards improving the quality of fish and wildlife habitat through increased monitoring and research activities on the effects of various contaminants on fish and wildlife resources. The monitoring program, which will be increased by $1.2 million, enables the Service to identify geographic areas and specific contaminants where there is greatest potential for adverse effect to the resource. The Service will increase efforts to identify unknown contaminants and to expand monitoring both on and off Service lands including coastal wetland areas, the Southwest, and the Hudson River. Research efforts will be increased by $378,000 and will focus on developing improved understanding of the impacts of new classes of chemical contaminants and determining management actions that may be warranted for regionally identified contaminant concerns. Specific areas of research will include West Coast salmon migration studies, contaminant levels in Galveston Bay sediments and screening of chemicals identified through the monitoring activities.

Finally, our last major initiative involves new emphasis on listing and continued emphasis on the recovery of species under the Endangered Species Act of 1973. We are requesting an overall increase of $3.3 million for this purpose. This includes an increase of $2 million in grants to the States, bringing the total grant program to $4 million for endangered species conservation efforts.

Let me now briefly summarize other changes in each of the program areas by highlighting the most significant changes from the FY 1984 appropriation.

RESOURCE MANAGEMENT

Habitat Resources - I have already described the increases that we are requesting under the habitat resources program for acidified surface water and contaminant monitoring operations and research activities. Another change we are proposing under this program is the restructuring of the Cooperative Research Units Program by combining separate fish and wildlife units. The issues in natural resource management facing the Service and its State and university cooperators increasingly require interdisciplinary research. The new structure will make the Unit Program more flexible and responsive to our research needs. We have already notified the Appropriations Committee of our intent to combine units in one State and will continue such notification as other units are to be combined. For FY 1985, we are proposing that there be 24 combined fish and wildlife units and 5 fishery units.

Wildlife Resources - An additional $3.0 million over the FY 1984 appropriation is requested for Wildlife Resources. Of this amount, $1.3 million is requested to continue the improvements in facility, equipment, and habitat maintenance achieved through the Accelerated Refuge Maintenance and Management (ARMM) program. The ARMM program is designed not only to provide funding to accomplish projects deferred in the past, but also to ensure that adequate base funds are available to achieve a desirable level of maintenance.

Waterfowl management and research efforts in FY 1985 will be increased to address declining populations of black ducks and five species of geese nesting in Alaska ($869,000). For the black duck, Service activities will focus on methods to restore the populations, such as programs directed at increasing understanding about species decline, evaluating the effectiveness of changes in harvest regulations, and improving survey methods. The efforts for the Alaska geese will provide increased information on the status and trends of populations of the birds, determine the importance of natural and hunting mortality, and identify essential breeding and staging habitats in Alaska.

In FY 1983, the Service conducted a major review of funding needs for law enforcement and transmitted the findings to the Senate on May 17, 1983, in a report entitled "Special Agent Funding and Costs." In our continuing effort to implement the report's recommendation, the FY 1985 budget provides for the transfer of $1.6 million from the Wildlife Resources activity to the Fishery Resources activity. This will result in more efficient management of agents in these activities and improved balance among the programs funding law enforcement activities. This transfer, in concert with additional proposed funding, will provide a total Fish and Wildlife Service law enforcement program of $18.9 million.

The Service will effect savings of approximately $1.7 million in the Wildlife Resources activity by such measures as eliminating projects that do not address high priorty research needs, eliminating one time maintenance funding research laboratories and documenting and quantifying water rights within available funds.

Fishery Resources - The Administration and the Congress have, over three years, undertaken a major redirection of the Fishery Resources program. Its basis has been a re-examination of respective Federal and State roles in the management of the nation's fishery resources. The general intent is that management of natural resources that best can be accomplished at the State level should be assumed by State government, and that Federal involvement should be directed toward those activities for which there is a clear legislative mandate and need for Federal involvement.

The Service has initiated an intensive effort to redefine and clarify its role in the management of the nation's fishery resources through development of a policy statement with related implementation strategies. Six major program responsibilities have been identified:

-- restore depleted fishery resources of national significance;

-- mitigate fishery resource impairment due to Federal development initiatives;

-- assist with management of fishery resources on Federal lands;

-- enhance the status of currently or potentially imperiled fish;

-- maintain a Federal leadership role of scientifically based management of national fishery resources; and

-- promote public awareness of national fishery resources.

The FY 1985 request for Fishery Resources includes approximately $2.7 million above the FY 1984 level. This reflects an increase of $1.9 million for law enforcement of which $1.6 million was transferred from Wildlife Resources. Also included are $675,000 for operation and maintenance (O&M) at high priority fish hatcheries and $100,000 for fish marking and O&M at hatcheries that produce lake trout for the Great Lakes restoration program. Finally, an increase of $850,000 is requested to fund initial or full operation of newly completed fishery mitigation facilities constructed by the Corps of Engineers as part of the Lower Snake River Compensation Plan (LSRCP). The total LSRCP budget request of $4.6 million will fund all facilities on-line at levels needed to support planned operations in FY 1985.

Savings in the Fishery program will occur in two areas. A net decrease of $1.4 million in hatchery operations and maintenance will result from the recent transfer of 3 hatcheries and the transfer or closure of 7 others as directed by Congress in the FY 1984 Interior Appropriations Act. A decrease of $300,000 is related to termination of low priority research studies relating to fish control and drug registration.

Endangered Species - As I mentioned, we are requesting an increase of $3.3 million for this program in FY 1985. The FY 1985 budget proposes an 18 per cent increase over 1984 to accelerate listing activities. As of February 1, 1984, 778 species have been listed under the Endangered Species Act and another 60 species are currently proposed. Degree and immediacy of threat as well as taxonomic uniqueness are the primary criteria used in assessing listing priorities.

Through the development of recovery plans, information and management needs for endangered species are identified and ranked in importance and timing. By the end of FY 1984, plans for 174 of the 300 listed domestic species should be approved. The Service projects that recovery plans for endangered species recovery activities will be increased both on and off Service lands through a budget increase of $535,000 that will affect 56 species. Research activities will be expanded by $168,000 to determine the summer movements and areas of significance for the West Indian manatee and habitat requirements of three species of mussels. These studies will have relevance for 14 other listed mussel species.

Section 6 of the Endangered Species Act recognizes that the States have an important role in the development and maintenance of substantive programs for the conservation of endangered and threatened species. The purpose of Section 6 is to assist the States in the continued development and implementation of State programs for the conservation of listed species. From the Service's perspective, a major benefit of this State program is the implementation of recovery activities for federally-listed species without an increase in Federal personnel ceilings. Our proposal is to increase grants to States to $4 million in FY 1985, doubling the FY 1984 appropriation.

CONSTRUCTION AND ANADROMOUS FISH

The FY 1985 budget request of $9.1 million for the Construction and Anadromous Fish Appropriation will continue construction on national wildlife refuges, the Service's dam safety program, advanced planning efforts, and anadromous fish grants. The Service has identified projects at four refuges which will require $1 million to correct health and safety problems. The dam safety program includes scheduled inspections ($359,000) and repair or technical engineering design work needed to correct identified structural or operational deficiencies of 15 dams on Service facilities ($3.2 million). The advanced planning request ($1 million) will continue a program of advanced planning to support future construction requests by assuring adequacy of cost estimates and completion of pre-construction design.

The Anadromous Fish Grant request of $3.5 million provides Federal matching grants to States and non-Federal entities for projects for restoring and enhancing anadromous fish populations through interstate cooperation. A report on the results of the five-year research study on striped bass (authorized by Section 7 of the Anadromous Fish Conservation Act) is expected to be published in FY 1985, utilizing FY 1984 carry-over funds. Consequently, neither reauthorization of this section of the Act nor continuation of last year's funding level for this work is requested, resulting in a $500,000 reduction in this activity.

Permanent and Trust Funds

Finally, Mr. Chairman, for Permanent and Trust Funds, other than duck stamps that I have already mentioned, we anticipate a net increase of $11.2 million. An increase of $11.8 million in estimated receipts is anticipated in payments to States under the Pittman-Robertson program. A decrease of $605,000 is anticipated in Dingell-Johnson Act payments due to an anticipated decrease in excise tax receipts. The decrease is based on a projection using the trend of recent years' actual receipts. Contributed funds for the sea lamprey control program in the Great Lakes will also increase.

Supplemental

The proposed supplemental appropriation would provide $440,000 for FY 1983 emergency expenditures related to the prevention and suppression of fires and the rehabilitation of the National Wildlife Refuge System in the Lower 48 States, and $591,000 for costs associated with the transfer of operations to State control, or closure of eight fish hatcheries during 1984 and 1985, as recommended in the Conference Report of the 1984 Interior and Related Agencies Appropriations Act.

Mr. Chairman, this concludes my prepared testimony, I would be pleased to answer any questions you may have.

BIOGRAPHY OF ROBERT J. LAMB

Mr. Lamb was appointed the Chief, Division of Budget Operations in the Office of Budget, Department of the Interior in May, 1983. The Division has budget review responsibilities for the National Park Service, the Fish and Wildlife Service, the Bureau of Indian Affairs, the Office of the Secretary, and the Office of the Inspector General.

Mr. Lamb joined the Department of the Interior's Bureau of Mines in 1977 and served as the Bureau's Budget Officer until 1980. From 1980 to 1983, he was the Bureau's Congressional Liasion Officer.

Before joining the Department of the Interior, Mr. Lamb worked for the former Department of Health, Education, and Welfare (HEW). From 1974 to 1977 he was a budget analyst in the Office of the Assistant Secretary for Health. From 1971 to 1974 he held a number of positions within HEW as a Management Intern.

Prior to joining the Federal Government, Mr. Lamb was Director of Humanities at Chaminade High School, Dayton, Ohio.

Mr. Lamb holds a Bachelor of Arts degree from the University of Dayton, a Masters of Liberal Arts degree from the Johns Hopkins University, and a Masters of Business Administration degree from George Washington University. He is married and has a son and a daughter.

BIOGRAPHY OF ROBERT E. GILMORE

Robert E. Gilmore, 49, Associate Director-Federal Assistance, was born in West Palm Beach, Florida, and was raised in Fairhope, Alabama. He received a B.S. degree in wildlife management at Auburn University and also attended George Washington University, completing courses leading to an M.S. degree in public administration.

Gilmore began his career in 1954 as a research assistant at the Auburn Cooperative Wildlife Research Unit in Alabama. In 1958 he became the district wildlife biologist at the North Carolina Wildlife Resources Commission, leaving to serve in the U.S. Army as a wildlife consultant until 1960. He worked as a wildlife biologist for U.S. Steel Corporation for 6 years before joining the Fish and Wildlife Service in 1966.

He first served as assistant refuge manager at Chassahowitka National Wildlife Refuge and then at White River Refuge. Gilmore then moved to Back Bay Refuge as refuge manager, and in 1971 and 1972 he participated in the Departmental Manager Development Program. After that, he served as a land use specialist in the Portland Regional Office where he became assistant regional refuge supervisor in 1975. He transferred to Washington, D.C., in August 1976, to become Migratory Bird Program coordinator. Later he was promoted to chief, Program Development-Wildlife, and then to the position of Deputy Associate Director-Wildlife Management in January 1980. Gilmore served as Deputy Associate Director-Wildlife Refuges before being named Associate Director-Federal Assistance in October 1983.

Gilmore has a special interest in methods and procedures for improving management and administrative procedures within government.

BIOGRAPHY OF RONALD E. LAMBERTSON

Ronald E. Lambertson was appointed the Associate Director for Wildlife Resources, Fish and Wildlife Service, in October 1983. In his position, he oversees the administration of the following activities: National Wildlife Refuge System, Migratory Bird program, Animal Damage Control, Law Enforcement, Realty, Public Use Management and Youth Activities. From 1979 to 1983, he served with the Service as Associate Director - Federal Assistance.

Receiving his Juris Doctorate from the University of Colorado in 1970 and holding an undergraduate degree in Wildlife Management from Colorado State University, Mr. Lambertson began his career with the Interior Department in the Office of the Solicitor. He was appointed to the position of Assistant Solicitor in 1974, where he served as the Fish and Wildlife Service's chief legal advisor until his appointment with the Fish and Wildlife Service.

A native of Adams County, Colorado, Mr. Lambertson now lives in Silver Spring, Maryland, with his wife, Bonnie, and their two daughters.

Senator MCCLURE. If you would please introduce the people you have with you at the table, we will then proceed directly to the questions.

Mr. POTTER. Mr. Chairman, it is a great pleasure to be here. I am always happy to be back before your subcommittee. We enjoy very much working with your excellent staff, both on the subcommittee and your personal staff.

Assistant Secretary Arnett asked me to convey his regards and his apologies for not being here this morning.

With me at the table are Bob Jantzen, Director of the Fish and Wildlife Service; Gene Hester, the Deputy Director; and the seven Associate Directors for the Service.

In addition to that, we have Bob Lamb with us, who is the Chief of the Division of Budget Operations in the departmental Office of Budget. We also have other staff available.

HIGHLIGHTS OF REQUEST

I would like to highlight a few items in the statement that I am sure you want to talk about. Two or three of these represent initiatives that have come from the Cabinet Council on Natural Resources and the Environment, and have been discussed with the President.

One of those initiatives is the wetlands initiative. It is at the present time encompassed within the 1985 budget proposal. It is also addressed in legislation now pending before the Energy and Natural Resources Committee. We will be testifying before you on that legislation next week.

We also have an initiative in the budget for lake liming and monitoring activities related to acid rain concerns expressed by EPA and also the President.

We also have a cooperative effort underway with the EPA on the Chesapeake Bay. It is a fairly small amount in the budget, but it represents an initiative related to a $26 million study that was carried on by EPA. We will be working on that area. I think your staff has indicated some interest in it also.

Another area of emphasis is resource contaminant work that comes from concerns we have addressed in the past. We have increased the level of funding proposed for that work by about $1.6 million.

We have an initiative to increase listing and other activities under the Endangered Species Act, with an additional request of about $3.3 million.

Those are the highlights of the items that I want to mention. I would like to turn to Bob Jantzen for a more detailed discussion. We are prepared to go directly to questions if you would like to do that.

INCREASED BUDGET REQUEST

Senator McClure. Thank you very much.

If I may, I would like to first look at what I think is a rather unique and interesting feature of your budget request this year.

This subcommittee funds almost 30 discrete governmental organizations. To my knowledge, the Fish and Wildlife Service is the only agency this year whose budget request to the Congress is actually more than its request to the Department and more than the Department's request to OMB. In other words, the Fish and Wildlife Service budget request has been increased at every level of the review. I am pleased to see it in this case.

The fiscal year 1984 request, for example, was for $266,500,000, and Congress added about $87 million in the fiscal year 1984 appropriations bill.

The Service's request this year is, in my opinion, one of the most responsible and sensible requests overall that we have seen. Not perfect. I wouldn't say that I agree with every priority or every statement that is made, but it is on the right track.

Most of the time when the budgets are represented we blame the OMB for making reductions in the agency's request. Maybe this year we need to praise the Secretary and OMB for improving on the agency's estimate.

But it is such a unique situation that I am compelled to ask, how do you account for the fact that your budget request from the agency was increased at the secretarial level and increased again at OMB?

Mr. Potter. Mr. Chairman, we have had a lot of discussion with OMB about the programmatic efforts in the Fish and Wildlife Service. I think there is broader recognition now of the contribution that can be made by this agency in terms of those programmatic efforts. There is also a greater recognition of the things Congress has intended to have the Fish and Wildlife Service do under a number of statutes. It has been a cooperative effort on the part of a number of people. We appreciate very much your kind words in recognizing that effort.

SUMMARY OF LAND ACQUISITION

Senator McClure. Well, it is a unique progression. We ordinarily get the tables and see them start high and go lower at the secretarial level, and then OMB cuts some more, and I notice it went from 313 to 330 to 364. I almost sent the table back, assuming that a mistake had been made. [Laughter.]

The fiscal year 1985 program for land acquisition, including legislative proposals relating to wetland acquisition, is becoming complicated. For example, you are proposing a couple of major new initiatives in the wetland acquisition area.

One calls for $20 million to be appropriated for the Land and Water Conservation Fund for acquisition of wetland acres by the Fish and Wildlife Service to be managed as refuge land.

Another wetland acquisition proposal calls for a new $7.5 million program of State grants to be matched by $1 in State funds for every $3 in Federal funds.

Both of these initiatives depend on the enactment of legislation.

Another land acquisition initiative, S. 1329, is pending before the Energy and Natural Resources Committee and is scheduled for a hearing on Wednesday, March 21. This bill would provide $75 million annually for the next 10 years for wetland acquisition without requiring further appropriations action.

The fiscal year 1985 budget also estimates that $16.4 million will be available from duck stamp receipts for land acquisition, including wetlands, by the Migratory Bird Conservation Commission. However, if the Wetlands Loan Act is not extended, then 75 percent of these receipts would be used to repay prior year advances. There is a current balance of unappropriated loan authority of about $46 million.

Further, the Federal Aid Program in Fish Restoration, also known as the Dingell-Johnston fund, and the Federal Aid in Wildlife Restoration Program, the Pittman-Robertson fund, will expend about $2 million and $15 million, respectively, in fiscal year 1985 for land acquisition efforts, including wetlands.

The National Park Service budget for fiscal year 1985 assumes no funding for the State side of the Land and Water Conservation Fund. However, if funds are provided by Congress again in fiscal year 1985, State grants may be used for wetland acquisition in certain instances; for example, if it identified in the State comprehensive outdoor recreation plan.

The Department of Agriculture has proposed in their fiscal year 1985 budget that the objectives of the Water Bank Program be carried out under the Consolidated Agricultural Conservation Program, the ACP. Eighty million dollars is requested for ACP by the Agriculture Department, of which $3 million is estimated for the Water Bank Program.

Finally, you have requested $29 million in land acquisition funding for use in the regular Land Acquisition Program for Refuges. Some of these lands are wetlands.

I apologize for that rather lengthy summary of the situation, but I am trying to point out to you that one of our problems in dealing with your fiscal year 1985 proposals is which of your proposals should we enact and fund.

Do we currently have enough authority to acquire wetlands with Land and Water Conservation Fund funds? Would it be your judgment that if S. 1329 were enacted you would not need your other legislative initiatives for wetland acquisition?

If your two initiatives are adopted, would you think that S. 1329 is not needed?

LWCF PROPOSAL

Mr. POTTER. Mr. Chairman, I think you have summarized rather well the situation we face in terms of the many authorizations and the layering of efforts to acquire wetlands.

What we are doing now is trying to develop a comprehensive approach to this problem. I think what it comes down to is coordinating the Land and Water Conservation Fund authorization with this budget proposal that we have submitted for fiscal year 1985.

The essential point from our perspective is that we are recommending removal of the restriction in the Land and Water Conservation Fund authorization that limits wetland acquisitions to refuges only. We have provided in dialog with the Environment and Public Works Committee on S. 1329 our view concerning how that would happen.

Essentially, we feel the traditional view, that wetlands are only for waterfowl, has been underscored by the restriction that exists in the Land and Water Conservation Fund. In effect, it provides an artificial barrier between general refuge land acquisition and wetlands acquisition.

What we would like to do is comprehensively address all of our acquisition priorities and come to you within the context of the Land and Water Conservation Fund proposal.

EMERGENCY WETLANDS RESOURCES ACT

Senator MCCLURE. Are you telling me that if that is enacted then the rest of these don't need to be funded?

Mr. POTTER. No; I am not. We feel that there are certain aspects of S. 1329 that would be helpful and would clarify how LWCF could be used. However, there are other things in S. 1329 that we don't agree with. As I have said, we have told the Environment and Public Works Committee of our concerns. We will be addressing that further next week.

We have also made statements for the record on the House side on the proposed legislation.

Senator MCCLURE. Could I ask one question? I hate to interrupt, and perhaps I am interrupting by asking the question now. Do you have your testimony cleared for the hearing next Wednesday on S. 1329?

Mr. POTTER. It is not cleared yet. It is very similar to the statement that I gave on the House side, and I don't think there will be any problems.

The essential difference between the Senate bill and the House bill is the automatic appropriation provision. We have stated that we do not support that automatic provision.

We also stated, on the House side, that we did not feel it was necessary to increase the authorization ceiling for the Land and Water Conservation Fund to address wetlands acquisition needs.

As far as currently having enough authority to acquire wetlands is concerned, we have encountered some problems in terms of the layered programs. You might think there is a gross amount of capability that would be sufficient to meet the acquisition needs. But what has happened is that many wetland areas are now in fairly large blocks of private ownership. This makes it necessary to work closely and cooperatively with States and local organizations, and we don't have enough authority in any one area to do that.

Basically, our proposal is to use the Land and Water Conservation Fund, in what we see is within the original intent of that authorization, as the vehicle to protect these wetlands.

Senator McCLURE. Well, Mr. Secretary, I know that sometimes we could be misled in assuming that the proliferation of programs and avenues is a bad process. It might sometimes be a good process.

It seems to me that we are faced with a welter of different programs that might be well coordinated in some fashion, and we might be able to make a better and more rational judgment, looking at it, if we could look at a total picture rather than individual parts.

Mr. POTTER. I think we have a great desire and real opportunity to do that. We have tried to clear up the record throughout this entire process.

Senator McCLURE. If there are distinct and cogent reasons for separate programs that have different objectives, that don't have common objectives, it might be well if you could identify and state your opinion as to what the separate objectives are, why that one is different than the others and why it ought to be kept separate and funded and operated differently.

But we would like to have your advice and your view with respect to that possibility.

FISCAL YEAR 1985 ACQUISITION REQUEST

Mr. POTTER. Possibly I could summarize the three components in the 1985 budget. It may provide some guidance.

There is a $7.5 million increment which would be a State grant proposal.

Senator McCLURE. That is a new and separate proposal?

Mr. POTTER. Yes, sir, this is a new and separate proposal. It is an effort to broaden the authority of the States to use moneys for wetland conservation purposes. This is beyond the traditional SCORP process that now exists in the stateside of the Land and Water Conservation Fund.

We have worked well with the committees of both Houses in addressing that particular situation. The language in S. 1329 is fairly clear about developing guidelines cooperatively with Congress on how that stateside money would be used.

The second component would be the traditional Land and Water Conservation Fund authorization activities. That is a $30 million increment in the fiscal year 1985 budget request. This portion of the request is detailed in the justifications. No change is really required in order to utilize that money.

The principal change would come in the $20 million increment for wetlands acquisition, which depends upon removal of that restriction in the Land and Water Conservation Fund concerning acquisition of wetlands for refuge purposes only.

This relates our budget proposal to S. 1329 in terms of laying out specific segments. The approach that is discussed in the bill before the Environment and Public Works Committee is different from our proposal in that it has a higher level of funding for State grant programs—it is about a two-third, one-third split—and a lower level for Federal acquisition. But we are very close in terms of how we would go about establishing guidelines for utilization of that money.

That is, I think, the best summary I could come up with on our 1985 budget proposal and how it relates to S. 1329.

Senator McClure. Well, there already is a State/Federal split in the Land and Water Conservation Fund, isn't there?

Mr. Potter. Yes; there is.

Senator McClure. You are suggesting a further State/Federal split?

Mr. Potter. What we are suggesting is a broadening of the authority of the States to use that grant money.

FORMULA FOR MATCHING GRANTS

Senator McClure. When you are suggesting a new program with a State and Federal share, you suggested a $3 to $1 share?

Mr. Potter. Yes; that is our suggestion.

Senator McClure. And you suggest using the land and water conservation funds for the $3 Federal share?

Mr. Potter. That is correct.

Senator McClure. Could the State also use their share of the Land and Water Conservation Fund for their $1 match?

Mr. Jantzen. Mr. Chairman? Mr. Potter, if I could answer that.

The intention is that they would not use Federal funds to match Federal funds.

Senator McClure. Well, then can't the States legitimately argue that it is heads I win, tails you lose; you are using Federal funds for Federal match and you are requiring us to use State funds for State match; you get yours out of the land and water conservation; we can't get ours out of the Land and Water Conservation Fund?

Mr. JANTZEN. Well, Mr. Chairman, the intention of the program proposed in this budget is that States meeting one of two criteria would qualify for the matching Federal share of the Land and Water Conservation Fund. If they have a State duck stamp, the portion of revenue from that stamp obligated to the protection and preservation of wetlands, would qualify for the match.

Senator McCLURE. That would qualify for match?

Mr. JANTZEN. Yes, sir, it would.

Second, if the State legislature made a line item appropriation for the protection of wetlands, we feel that should qualify for match because it also targets wetland protection.

Some States use a portion of their State duck stamp for enforcement and other purposes. We feel that only the amount targeted to habitat protection should be qualified for the matching money from the Federal side. In almost all instances, the programs would be administered by the State wildlife agency.

The formula contemplated in the legislation is essentially the same formula that the States are accustomed to in the Pittman-Robertson and the Dingell-Johnston programs.

Senator McCLURE. It would be a State decision as to how the total $4 is used?

Mr. JANTZEN. Yes, sir, but it would have to be with the overview approval of the Federal Government because of the——

Senator McCLURE. So we could argue with the States that as a matter of fact this is a way to increase their share of the land and water conservation funds if they are willing to commit some of their own money?

Mr. JANTZEN. Speaking from my experience, Senator, the State wildlife agencies oftentimes do not have the ability to compete with the other interests operating under the State comprehensive outdoor recreation plan.

Senator McCLURE. Yes.

Mr. JANTZEN. Consequently, there is very little opportunity for a State wildlife agency to compete successfully for a share of State Land and Water Conservation Fund dollars available on an allocation basis.

Senator McCLURE. This will be one time that they won't argue with your characterization of them as being less capable of competition. Most of them are pretty proud of their ability to compete.

Mr. JANTZEN. They are very competitive.

STUDY OF WETLANDS LOSSES

Senator McCLURE. Yes, they are. Well, let me just ask one further question in this area and then share the time with my colleague, Senator Burdick.

On page 58 of your justification, you propose an increase of $800,000 for a study of wetland losses and state that "A study will be conducted based on the latest information available."

How old is the next to the latest information?

Mr. JANTZEN. Mr. Chairman, I'd like to have Mr. O'Connor, the program manager for Habitat Resources, respond to that question.

Mr. O'CONNOR. Mr. Chairman, we completed our status and trends analysis of wetlands in October of last year. This would be the next logical step in the conduct of that study.

Senator McCLURE. Has anything really changed since last October?

Mr. O'CONNOR. Well, of course it's constantly changing; but this would be studying a different area. We're trying to determine what has caused wetlands to decline and make recommendations to stem that decline.

Senator McCLURE. And you didn't cover that in the most recent study?

Mr. O'CONNOR. No, sir. The study that was completed just evaluated what wetlands are there. It was based on aerial photography.

Senator McCLURE. There's been no study in the past as to the effect of State and regulatory mechanisms that induce wetland destruction?

Mr. O'CONNOR. Well, there probably has.

Mr. JANTZEN. Mr. Chairman?

Senator McCLURE. Yes.

Mr. JANTZEN. A cursory examination was made of some of the conflicting processes and mechanisms in Government that might lead to an acceleration of wetland loss by the POWDR task force, which was created by former Secretary Watt.

One of the recommendations from that task force was a further in-depth look at these mechanisms in governmental programs. This budget initiative is an attempt to address that.

Senator McCLURE. Could you provide for the committee records a copy of that task force report?

Mr. JANTZEN. Yes, sir. The task force recommendations?

Senator McCLURE. Yes, sir.

Mr. JANTZEN. There is no final report, per se.

Senator McCLURE. All right.

Mr. JANTZEN. This recommendation has been written in the task force minutes, I believe.

Senator McCLURE. If you would, provide that for us.

[The information follows:]

POWDR TASK FORCE RECOMMENDATION

Our recollection concerning the relationship of the POWDR task force minutes to the wetlands study was not completely accurate. While some general discussions occurred related to this issue and the Coastal Barrier Resources Act, the POWDR task force did not specifically propose that the study be undertaken. It became apparent through the process of congressional hearings on S. 1329 and H.R. 3082 that there is a lack of sufficient information relative to Federal programs associated with wetland destruction.

PURPOSE OF STUDY

Senator McCLURE. Obviously what I'm getting at is, is a further study really necessary, and is this the best expenditure of $800,000 or would that better be expended in some other way?

Mr. POTTER. I think to a limited extent the use of any study money could be characterized as redundant. What's going on here is we're trying to understand the full picture.

The study comes out of both the POWDR effort and discussions in the House and the Senate bills of the need to define a wetlands system and to understand the trends and changes as they are occurring.

The wetlands system is very dynamic and I don't think there has ever been a comprehensive look at the changes in that system in any way that can be understood by the average person.

There is a lot of information available, and this funding request is directed toward compiling the information to allow an understanding of changes in the system. For example, it turns out that we have large increases in some of the inland open water areas in this country.

We also have problems associated with losses of certain kinds of plantlife and wildlife.

Senator McCLURE. Mr. Secretary, I understand that it is a dynamic process and I think you touched on one of my concerns when you said there is an awful lot of information available.

My question really is: Do we need another study to put on the shelf with all the other studies? That's a good exercise on the part of Government.

Almost every time we have a problem we study it and then we don't do anything with it until there is another appropriation cycle and then we appropriate more money to study again; or, rather than making decisions, we decide to study it from a different angle.

I'm not at all certain that after all of the discussion and all the programs we have over wetlands that have gone over the last several years that we've made much progress—and there has been much congressional activity in this field, as you know; you used to participate in it up here when we were doing some of the legislating. The record is full of information.

I just wonder about the utility of spending another $800,000 to fund yet another study.

I've gotten a little jaded in that process, maybe, in which later studies usually fund somebody to make a bibliography of earlier studies. I see you shaking your head——

Mr. POTTER. Yes, Mr. Chairman.

Senator McCLURE [continuing]. And you're saying to me that that isn't going to be it. We're not going to get another bibliography.

We can get that from CRS or the Library of Congress without spending $800,000.

Mr. POTTER. One thing that has become clear in this age of technology and information processing is that we are close to being able to process information on a continuous basis.

The national wetlands inventory, which has been operational for several years, is primarily a mapping effort. We're now trying to develop a dynamic approach rather than a static mapping effort.

Senator McClure. I understand that dynamism doesn't come from report.

Mr. Potter. I agree with you.

NEED FOR ADDITIONAL STUDY

Senator McClure. It usually does quite the contrary. It absorbs whatever dynamism there is and pacifies it and diverts it.

If you have something else that you can say or add to the record in justification for the study I wish you would do it because I am really very serious. I think you are, too.

I think you want to catalog the information, try to determine the trends. My offhand assumption is—and it's more than just merely offhand having served on the Environment Public Works Committee and on the Interior and Insular Affairs Committee in the other body as well as Energy and Natural Resources Committee in this body, having been around here now for this my 18th year—I've seen an awful lot of studies and information accumulated in this area and I assume somebody has looked at those studies already.

You're telling me that what you need is another look in a different way at a problem that has been looked at in every direction for years.

Mr. Jantzen. One thing we might clear up on the record is the relationship between this request and the existing legislative proposals on the Senate and House sides. Perhaps Ed Verburg can address this issue. Ed, is this proposal dependent upon that legislation?

Dr. Verburg. No; this study is not dependent on that legislation. We have the authority under the 1956 Fish and Wildlife Act to conduct a study of this nature.

However, it is complementary to the initiative in both the House and the Senate legislation, which requires a study of this type.

Senator McClure. Well, you have made extensive requests for the acquisition of wetlands and every one of those requests is based upon a body of information that says it's justified.

Mr. Potter. I hear you very clearly, Mr. Chairman. If we succeed with the S. 1329 legislation presumably we will have a process ongoing for identifying priorities that would be very closely related to what this study appears to be. I understand what you're saying.

Senator McClure. Again, I would give you the opportunity and solicit a sharper look and a justification.

Mr. Potter. If we can find anything that will clear this up, we'll insert it.

[The information follows:]

JUSTIFICATION OF THE WETLAND STUDY

The U.S. Fish and Wildlife Service's wetland maps and comprehensive wetland status and trends survey have documented the magnitude of the wetland loss problems in this country. Testimony during the hearings on the proposed Emergency Wetlands Resources Act indicated that one of the causes of wetland losses related to statutory and regulatory mechanisms of the Federal Government, including expenditures, grants, and financial assistance have had a significant impact on the destruction and degradation of wetlands throughout the United States.

The purpose of the wetlands study will be to develop recommendations which will: conserve environmentally significant wetlands by selectively restricting Federal programs; discourage environmentally unsound and economically inefficient development, while minimizing economic disruption; and foster Federal budgetary savings.

The results of the wetlands status and trends survey are both revealing and distressing. The wetlands loss problem is more severe than previously suspected. From 1954 to 1974 an average annual net loss of 458,000 acres of wetland occurred. Associated with this extensive loss of wetland acreage is a corresponding loss of wetland functional values, such as floodwater retention, groundwater recharge, water quality filtration, and waterfowl production and support. Major problems relative to flood control, groundwater availability, surface water quality, and maintenance of viable waterfowl populations are becoming increasingly apparent.

The general land uses to which wetlands are being coverted have been documented through the status and trends survey. Based upon this information, linkage between wetland losses and a number of Federal programs is becoming increasingly more apparent. The wetlands study is needed in order for us to understand specific Federal program-related wetland loss stimuli and to guide the formulation of wetland conservation efforts. Although the principal uses to which wetlands are being converted, together with the programs which help to induce these conversions are fairly well identifed, to substantially reduce the rate of wetland destruction specific Federal program incentives and mechanism which stimulate conversion should be identified and thoroughly analyzed. Counterbalancing measures also can be designed which minimize economic and social disruption. This has not been done previously.

As a product of the study a report addressing the following will be provided to the Congress.

A thorough review of Federal statutory and regulatory mechanisms, including expenditures and financial assistance.

An estimate of the extent to which specific Federal program incentives and mechanisms induce wetland conversion and degradation.

An analysis of Federal expenditures that result from the loss of wetlands; for instance, this might include the cost of providing additional flood protection necessary to offset the flood retention capacity of a lost wetland system.

Recommendations to establish a consistent Federal role with regard to wetlands.

BLACKBIRDS

Senator McCLURE. Thank you. Senator Burdick?

Senator BURDICK. Thank you, Mr. Chairman.

I'd like to address my questions this morning to Mr. Dick Smith. Which one is he?

Mr. SMITH. I am right here.

Senator BURDICK. All right.

When I was a kid we had a ditty, "Four and twenty blackbirds baked in a pie . . ." [Laughter.]

Now, there must be 420 billion of them flying around in the air. So my text for this morning's sermon is "Blackbirds."

Migratory blackbirds and starlings cause an estimated annual $80 million crop damage according to the U.S. Fish and Wildlife Services. In addition, the overwintering blackbirds and starlings have been associated with human and animal diseases.

The most realistic long-term approach to resolving this problem is reduction of blackbird and starling population.

The Fish and Wildlife Service has, over the years, conducted research to reduce bird damage, but the results have not been satisfactory to adequately control crop loss or the incidence of human and animal disease. It appears at this stage that a more long-range solution to this problem is to reduce blackbird numbers through the use of chemosterilants, which are rather lethal agents.

Research program efforts must be accelerated and expanded to develop the functional chemicals which will reduce blackbird numbers without adversely affecting the environment.

This statement and these facts have been developed by the National Sunflower Association. Their members are very much concerned about the growth of these blackbirds and the crop damage they do.

Mr. Smith, do you think they overstate the damage caused by blackbirds?

Mr. SMITH. Mr. Burdick, I imagine they quoted our own figures so I can't very well say they've overstated it. [Laughter.]

Senator BURDICK. I think that's right.

Senator McCLURE. You had a study some time that developed those figures.

Senator BURDICK. That's right. We've got the studies.

AMOUNT OF BLACKBIRD DAMAGE

Mr. SMITH. I think you ought to put it in the proper perspective.

There's no doubt that blackbirds cause damage to a number of crops, principally corn, rice, and sunflowers. In a national sense, the loss is rather insignificant in terms of total losses; but there's no doubt that individual farmers in certain parts of the country do sustain substantial losses.

Based on the information we have, the losses of sunflowers are in the neighborhood of 1 percent. The losses of rice and corn are also again in the neighborhood of 1 percent. I would not dispute the dollar figure you gave.

Senator BURDICK. Of course, those damage figures you are giving me now are kind of average across the country.

Mr. SMITH. That's right.

Senator BURDICK. When you get a good, ripe, luscious sunflower crop those averages go up.

Mr. SMITH. For instance, in North Dakota the losses are higher than they are in Kansas——

Senator BURDICK. That's correct.

Mr. SMITH [continuing]. Because of the location of the birds and other factors.

Senator BURDICK. Because of the quality of our sunflowers.

Mr. SMITH. You're a better judge of that than I am.

Senator McCLURE. It could be of your birds. [Laughter.]

Senator BURDICK. Yes.

Mr. SMITH. I would agree.

Senator BURDICK. In other words, when you're talking about that average you're talking about the country average, not——

Mr. SMITH. I'm talking about the national average.

Senator BURDICK. Yes; in areas which have a heavier infestation of blackbirds.

Mr. SMITH. That's right.

RESEARCH ON DETERRENTS

Senator BURDICK. What research has been conducted by the Fish and Wildlife Service at the Denver Wildlife Center, and has any deterrent been identified as a practical one?

Mr. SMITH. In terms of sunflowers?

Senator BURDICK. Yes.

Mr. SMITH. Yes; there has been some research. For the current year we're spending in the neighborhood of $250,000 on this issue in North Dakota. Of that amount, $75,000 goes to North Dakota State University.

The current work is centered around damage assessment to determine what the losses are; developing some repellents; developing varieties of sunflowers that are resistant to blackbirds; and trying to find which individual birds or groups of birds are causing the losses.

There's no work being done with avian chemosterilants.

Senator BURDICK. No work being done on the sterilants?

Mr. SMITH. No work is being done in the Service.

Senator BURDICK. Well, our farmers and our farm organizations believe that these other methods that you've used to date can be compared to band-aids; that they aren't doing anything.

Mr. SMITH. I think there is a place for all of them. There is some value in the repellents. The short-term resolution of the problem probably is resistant varieties of sunflowers.

There are some varieties that do show that damage can be reduced when they're used. That work is being done by North Dakota State University.

Senator BURDICK. You mean the type of variety can be resistant to a blackbird?

Mr. SMITH. That's right. The varieties that have tighter bracts that hold the seed in the head tend to have less damage. The varieties that have heads that droop lower than the others have less damage.

There is also some indication that some of the varieties have a chemical that's somewhat resistant to blackbirds.

When you deal with varieties you also have to be concerned with costs in terms of yields. I don't know what the relationships are.

Senator BURDICK. You say you haven't studied sterilants. Why not?

Mr. SMITH. The limited work that we have done with sterilants has been done with pigeons and coyotes. The principal reason we haven't gone into sterilant work with blackbirds is the long-term costs.

To have something that's effective is to have a permanent sterilant. The chemical and drug companies are working with sterilants for humans and they haven't been too successful. I don't think we will be in a position to pursue this type of research until they have a breakthrough.

Costs are high; hazards may be high; and it requires a long-term commitment to get into this area.

Senator BURDICK. I've been told that there has been some study done on these repellents. I don't know what the chemical name is.

Mr. SMITH. The chemical name is Avitrol.

Senator BURDICK. Yes; but they haven't been very satisfactory either.

Mr. SMITH. It depends on how you define "satisfactory." They will reduce damage. They will not stop damage.

Repellents move birds from one location to another and individual farmers may benefit. They do help.

FUNDING FOR STERILANT RESEARCH

Senator BURDICK. I think that's the understatement of the year. They tell me they can do anything.

If the Denver Wildlife Research Center undertook such a project, such as use and study of chemical sterilants, what would be the estimated cost and how long would it take to complete it?

Mr. SMITH. Starting from scratch, I think you're talking about an investment of $10 to $15 million over a 10-year duration. I would not sit here and say we could get there in 10 years. Even at that cost it would be a gamble to get there but that is true in any research project.

Senator BURDICK. That would be $1 to $1.5 million a year for 10 years.

Mr. SMITH. That is correct; you could utilize that amount each year over a 10-year period. Each step of the process depends on what you learned from the preceding step, and so some years you may run into a situation where you have to back up and start over.

Senator BURDICK. The reason I ask you the question is that the figure of $2.5 million a year could be bandied about. Do you think you could do the job with $1.5 million?

Mr. SMITH. I don't know until we start whether we could do it with $1.5 million or $2.5 million, or $5 million. I would say that I would not start without a commitment of 10 years at $1.5 million per year. That's how I'd leave it.

I think once you start these things you have to carry them through to the end.

Senator BURDICK. Well, based upon the correspondence that I've seen that the Denver Fish and Wildlife Center has been working with these groups that deal with the problem and that they have more or less come to the conclusion that the research in this area is about the only real way to go at the present time.

Now, has your Department agreed with that?

Mr. SMITH. I think it's not the only method to examine, but that there are also other ways.

I think the most promising short-term method is with developing varieties that are resistant to bird damage. I think sterilants could be researched if one wishes to commit the resources to get a resolution to the problem.

I can't sit here and say it's a no-win situation because I think, given the resources that I've outlined here, you probably could get to a solution.

Everyone should realize that it's a difficult problem to address. There are many ways you can get short stopped in research. And I think I would leave it that way.

Senator BURDICK. But——

Mr. SMITH. I would not say it's the only way to go.

Senator BURDICK. But if you went this way you could do a good job in a 10-year period at $1.5 million a year.

Mr. SMITH. We always do a good job.

Senator BURDICK. I understand; you'd continue to do your good work——

Mr. SMITH. Yes, sir, we would.

Senator BURDICK [continuing]. For 10 years at $1.5 million.

Mr. SMITH. Yes, sir.

Senator BURDICK. You could do it.

Mr. SMITH. We would attempt to do it; and we would do a good job.

Senator BURDICK. And the story that you have to have $2.5 million is not correct. You don't need that much, a year.

Mr. SMITH. I would stick with $1.5 million.

Senator BURDICK. Pardon?

Mr. SMITH. I will stick with $1.5 million.

PLANT VARIETY STUDIES

Senator BURDICK. All right. OK.

You say that there should be more variety studies conducted; I presume along with this; but we've known from the studies at our universities, particularly at Fargo, the agricultural college we used to call it, that this is a long-term process. Plant breeding and those things, that takes years.

Mr. SMITH. I agree with you. So does reproductive inhibitor research. I don't think you should concentrate on any one area.

Senator BURDICK. I see.

Mr. SMITH. I would continue the plant variety studies. North Dakota State University has the best qualifications and capability of doing that in cooperation with the Service.

So I would certainly urge the continuation of that study whatever direction we go.

Senator BURDICK. Well, I have to agree with you that the best place to do that work is at the North Dakota State University.

Mr. SMITH. I would not disagree on that.

Senator BURDICK. We can agree on that.

Mr. SMITH. Yes, sir, we can agree.

Senator BURDICK. But, to repeat, you think you could conduct this other program, if the Congress would order it, in a 10-year period at $1.5 million a year.

Mr. SMITH. We will attempt to. I can't promise that we'll get to that point 10 years from now.

Senator BURDICK. Sure.

Mr. SMITH. However, it is a logical and rational way to attack it.

Senator BURDICK. Well, thank you. You've been very helpful this morning and I thank you.

Mr. SMITH. Thank you, sir.

ENVIRONMENT CONTAINMENT REQUEST

Senator MCCLURE. Thank you, sir.

You're requesting an increase of $1.232 million for environmental contaminant monitoring and an additional $378,000 in research efforts on environmental contaminants.

Are any of these increases specifically directed at solving known resource threats to existing refuges?

Mr. JANTZEN. Mr. Chairman, the results of the information that we would obtain could be usable on refuges as well as other areas where that particular type of a threat or damage was occurring. So the effort would be applicable regardless of land ownership.

Senator MCCLURE. But that didn't answer my question. My question was: Are any of these increases specifically directed at solving known resource threats to existing refuges?

Mr. JANTZEN. I don't believe so. Mr. O'Connor, would you address that?

Mr. O'CONNOR. Some of the work will be on refuges, Mr. Chairman, but we have not identified specific refuges at this time.

Senator MCCLURE. Well, apparently I am not getting through. Let me repeat the question again.

Are any of these increases specifically directed at solving known resource threats to existing refuges?

[Pause.]

Mr. JANTZEN. Mr. Chairman, Mr. Smith advises me that the research portion is not directed that way. I would have to say that, using the word "specific" as the operative word, this money is not yet directed to any specific refuge or a specific problem on that refuge.

The problems occur elsewhere also.

Senator MCCLURE. I hope you will give me a detailed list for the record. For instance, your own refuge resource problem analysis indicates a problem with fertilizer runoff at Kesterson NWR and at Bear Lake NWR.

You have some specific oil spill and seepage questions with respect to fish and wildlife refuges at Aransas, Anahuac, Brazoria and Laguna Atascosa, and I could go on down the list which I have.

So there are some specific problems that you have and I want to know whether this money that you are asking for is being directed at those specific problems you have already identified.

Mr. JANTZEN. Mr. Chairman, we would be happy to provide that information to you for the record. The refuges you mention certainly would be candidate areas for study.

The results wouldn't be limited and the application of any solutions wouldn't be necessarily limited to those refuges but will have broader application to many areas.

Senator McClure. Well, it seems to me if you have gone through the trouble of assessing the damage threat to existing wildlife refuges——

Mr. Jantzen. Yes, sir.

Senator McClure [continuing]. That if you're asking for money to monitor and look at those threats you might first look at the threats to your own refuges.

Mr. Jantzen. Oh, these refuges would be good study areas. There's no question about it.

[The information follows:]

Contaminant Monitoring and Research on Refuges

Of the requested increase of $1,232,000 for monitoring, a total of $528,000 is specifically directed toward improved monitoring of known and suspected contaminant problems on existing national wildlife refuges nationwide. In addition, the $378,000 increase for research includes $166,000 to conduct laboratory screening studies of "new generation" chemicals being discovered in fish and wildlife populations, including those chemicals of potential resource concern on refuge lands.

As many as 1,800 instances of resource problems relating to water quality and quantity have been identified on national wildlife refuges, national fish hatcheries, and research centers. Examples of contaminant issues of concern on national wildlife refuges include:

The occurrence of abandoned hazardous waste sites on refuges. For example, the Service has presently identified 56 sites on 48 refuges such as Crab Orchard NWR, IL; Great Swamp NWR, NJ; Baker NWR, Pacific Island; and Alaska Maritime NWR, AK.

Known and suspected wildlife abnormalities resulting from contaminants occurring at: Kesterson NWR, CA (selenium related waterfowl abnormalities); and Horicon NWR (Spider and Gravel Islands), WI (suspected waterbird contamination).

Known and potential fish contamination from unkown sources such as at Yazoo NWR, MS; Wheeler NWR, AL; Mattamuskeet NWR, NC; Crab Orchard NWR, IL; Salton Sea NWR, CA; and Hawaiian Island NWR, HA.

Potentially contaminated dredge spoil disposal on the Upper Mississippi NWR, MN; Shiawassee NWR, MI; and Cape Romain NWR, SC.

The requested funding will be used to develop baseline information on water quality and fish contamination from pesticides and heavy metals at, for example, Hawaiian Island NWR, HA; Tijuana Slough NWR, CA; and Salton Sea NWR, CA. Refuges along the Gulf Coast which provide wintering habitat for migratory waterfowl, endangered species, and. other species of special interest will be monitored to identify potential toxic trace chemicals and hazardous waste materials. Urban and industrial contaminants affecting refuges within the Upper Mississippi and Great Lakes drainage areas would be evaluated in the following priorities: (1) Crab Orchard NWR, (2) Shiawassee NWR, (3) Ottawa NWR and (4) Muscatatuck NWR. Degradation of water quality in refuge pools will be initiated at, for example, Benton Lake NWR, MT; Sand Lake NWR, SD; and Upper Souris NWR, ND.

The initial estimated cost for the contaminant monitoring required on national wildlife refuges ranges from $5,000 to $25,000 per refuge depending on the specific contaminants to be analyzed and the extent of resources and habitats potentially affected. The results of the monitoring efforts will be used to aid in marsh and water quality management on refuges for migratory birds and endangered species. The information will also assist in evaluating recreational fishing programs on refuges.

For resource problems resulting from sources of contamination external to the refuge, the Service will advise and cooperate with the appropriate State and/or Federal agency to obtain resolution of the identified problem.

LAKE LIMING PROJECT

Senator McCLURE. Another of your environmental contaminant initiatives is a $5 million increase to evaluate mitigation effects on liming acidified lakes and streams. Your budget proposal refers to cooperative agreements with States to accomplish demonstration projects across a variety of water types and geographic regions.

There is an additional increase of $1 million proposed as a research initiative in support of the Mitigation Liming Program.

Can you tell us what you hope to learn through the Liming Program?

Mr. JANTZEN. Mr. Chairman, I'll attempt to answer that question generally and then I'd like to have Mr. O'Connor and Mr. Smith provide additional details.

Basically, the operational application of the lime would be accomplished through grant type program at the State level, and would occur in a variety of aquatic environments. The $1 million for research that's in the budget would be used to monitor and evaluate the effects of those different techniques, applications, and situations.

The results also will be pulled together in a final report using part of the $1 million research funding.

We think that is the best method rather than using a random approach and not following up. We want to follow up.

The States have different conditions and some have also gained a certain expertise that they will apply in studying this problem. We would like to find out what are the most effective methods.

FUTURE PROGRAM

Senator McCLURE. Should we anticipate an expanded program in future years?

Mr. JANTZEN. Mr. Chairman, I think that would depend upon the analysis and determination of the effectiveness of the different techniques that would be used under this program. I'd have to say that determination should wait.

Senator McCLURE. How long do you expect this research project to continue?

Mr. JANTZEN. Mr. Chairman, I'd like to ask Mr. Smith to provide an estimate on that.

Mr. SMITH. I assume, Mr. Chairman, you're concerned with the $1 million research part of the proposal.

Senator McCLURE. Excuse me. I couldn't quite hear.

Mr. SMITH. I assume you're asking about the $1 million research part of the proposal?

Senator McCLURE. Yes; how soon do you expect that to be finished?

Mr. SMITH. If the money is obligated in fiscal year 1985, results are not going to be available for 2 or 3 years.

DURATION OF PROGRAM

Senator McClure. The liming would be carried out entirely in fiscal 1985, or would you anticipate that that program would extend into future years?

Mr. Smith. I can't answer that question. I can answer the research part.

Mr. Potter. Mr. Chairman, if I may, what's proposed here is done in connection with EPA's efforts in acid rain. I was at the Cabinet Council meeting when this was discussed.

The expenditure of this money may be phased over 2 or 3 years.

Senator McClure. The $5 million or the $1 million?

Mr. Potter. The $5 million pass through money to the States will be obligated in fiscal year 1985, but may not be expended until 1986 or 1987.

The question of research comes up because there may be some effects on fish from the liming application in itself and there is a very definite need on the part of EPA for us to monitor those effects.

Senator McClure. The form of the budget request is a 1-year obligation.

Mr. Potter. It is a 1-year request, however, the money could actually be used by the States over a longer period of time.

Senator McClure. Period of what time?

Mr. Potter. Two to three years.

Senator McClure. Two to three years?

Mr. Potter. Yes.

Senator McClure. Mr. Smith?

Mr. Smith. A substantial part of the research funding is going to be passed through the Cooperative Unit Program into the universities, which means it doesn't have to be spent in the year that we're talking about.

Senator McClure. I'm glad to know that you anticipate there will be some cooperative units left.

Mr. Smith. Well, the budget calls for some.

A small portion of the money would be used in-house. We also have a continuing research program involving $525,000 of base funds. In the fiscal year 1982 committee reports, the Congress asked us to reprogram funding into this area.

So we can monitor these programs through the duration of them, I believe.

Senator McClure. So you would expect that this monitoring runs coextensively with the application of the program.

Mr. Smith. If you're going to get meaningful results you're going to have to have a monitoring program for at least 5 years and maybe longer.

Senator McClure. Mr. Secretary, is this initiative one of the recommendations of the Government's acid participation task force?

Mr. Potter. Yes, sir, it is.

Mr. JANTZEN. Mr. Chairman?

Senator McCLURE. Yes, sir.

Mr. JANTZEN. I would like to make a clarification. We would attempt to obligate the $5 million in 1 year——

Senator McCLURE. Right.

Mr. JANTZEN [continuing]. But the actual process could carry over 2 years.

Senator McCLURE. I understand that. Of course, we will want to have reports from you as to the progress and the types of programs and the degree of cooperation and the extensiveness in time as well as in application.

Mr. JANTZEN. The location would be reported also.

MITIGATION TECHNIQUES

Senator McCLURE. Our understanding is that this type of mitigation program has been around for a number of years; that New York, for example, has been adding calcium compounds to lakes since 1959.

Our understanding is that liming has been conclusively shown to be effective; that is, that a treatment is able to maintain acidity at a level viable for fish for 2 to 3 years.

Are there other mitigation techniques that ought to be considered?

Mr. JANTZEN. Mr. Chairman, I'm going to ask Dick Smith to answer, because that's in the area of research. He is more knowledgeable of those techniques.

Senator McCLURE. All right.

Mr. SMITH. Mr. Chairman, there are other areas to investigate. The program, as envisioned to date, deals with three things. One is liming, which was discussed; one is trying to deal with fish in terms of changes in genetic varieties so that reproduction occurs.

The other is habitat manipulation. Some feel that diverting water to places where it percolates through basic soil before it reaches the lake may reduce the acid load.

There are some other things to try. I can't tell you whether they are going to work or not.

Senator McCLURE. Well, as I indicated, New York, for example, has been doing this——

Mr. SMITH. For years.

Senator McCLURE [continuing]. For years, 25 years.

Mr. SMITH. So have the Europeans.

Senator McCLURE. I think just a compilation of the studies would indicate—what, we have 20 or 30 pages?

Mr. SMITH. That's right.

Senator McCLURE. Of just listing of such attempts in the past. Really, what are we going to get out of a $5 million study program now that hasn't already been out there; $5 million to lime some lakes, $1 million to study it——

Mr. SMITH. Essentially you will get——

ANTICIPATED RESULTS

Senator McCLURE [continuing]. Where that's been done for over 25 years in dozens if not hundreds of water courses, been studied by many people for many years. What new are we going to get out of this?

Mr. SMITH. What new?

Senator McCLURE. Yes.

Mr. SMITH. I don't think you're going to get much new. I think you'll get——

Senator McCLURE. Well, why are we doing it then as a research project?

Mr. SMITH. First, it's an evaluation of an operational project.

Senator McCLURE. Well, we have——

Mr. SMITH. I think what you will get is some new information on mechanisms that go on within the lakes. You'll have a number of bodies of water that will not be acidified and will contain fish.

Senator McCLURE. We get the benefit of whatever particular water course is treated.

Mr. SMITH. That's right.

Senator McCLURE. But that will be a small effort compared to what has already been done.

Mr. SMITH. I would say "yes" if you include the European programs.

Senator McCLURE. Well, small in terms of total areas treated, too, will it not? Five million dollars is not very much if you are going to go out and do a very large program.

Mr. SMITH. If you consider the problem to be all New England and the Midwest and the Appalachian, the answer is "yes."

Senator McCLURE. Well, you've seen the maps, I'm sure, about where this——

Mr. SMITH. I think you're looking at the publication that we printed.

Senator McCLURE. Yes; page 15.

Mr. SMITH. I don't know what page it's on. It's a Fish and Wildlife Service publication.

Senator McCLURE. How much of that will $5 million treat?

Mr. SMITH. Well, very little would be treated.

Senator McCLURE. A fraction of 1 percent?

Mr. SMITH. I would guess so.

Senator McCLURE. Yes; I'm really trying to relate, are we doing something real or is it simply symbolic? Are we in a research program really making a quantified gain, or is it merely incremental addition nearly symbolic.

PILOT PROJECT

Mr. JANTZEN. Mr. Chairman, I would say that it could be a real contribution. It is a pilot project, and the percentage of what we feel to be the affected area is going to be rather small. But the applications are going to be in different locations and different environments. With the evaluation process included, I think we'll be able to say either that a Liming Program can do something real for the problem or that it won't be cost effective.

Senator McClure. Well, I would agree with you without any question at all if, matter of fact, this hadn't been done for 25 years.

Mr. Jantzen. In one location, perhaps.

Senator McClure. In one location it's been done that long, but in many locations it's been done for some time and there has been an awful lot of research done on those specific applications.

I think you would agree that's correct.

Mr. Jantzen. Yes, sir. However, I can't agree that you can extrapolate from those specific locations an application technique that will be useful in different environments. I think that's what we're looking at here.

Senator McClure. You're going to go find environments that are different from any that have been attempted before?

Mr. Jantzen. I believe that will occur just by the nature of the pilot projects in different areas with different soil types, background chemistry in the soils, waters, and so on.

Senator McClure. Well, I'm just looking at, again, your own reports. Connecticut, since 1966; Massachusetts, since 1963; Michigan, since 1954—well, one back in 1943; Michigan-Wisconsin, 1951 through 1978; New York, since 1959; Pennsylvania, since 1976; Rhode Island, since 1971; West Virginia, since the 1960's. Well, here's some in Wisconsin going back to 1950.

Can you supply for the record a list of what you expect to do and illustrate in what manner it is different than what has been done?

Mr. Jantzen. Yes, sir.

Senator McClure. If you would, please.

[The information follows:]

Acid Precipitation Work Proposed for Use of the $6 Million

The Service's Mitigation Program will focus on a select group of mitigation techniques that offer the best promise of being cost effective and biologically acceptable. Replication, standardized sampling, monitoring protocols, and central research management will ensure consistent data and reliable interpretation of the results.

The Service's Mitigation and Research Program will conduct the following activities with the $6 million:

(1) Implement and evaluate the best-available mitigation strategies at approximately 45 representative field sites. Of this total, about 20–25 lakes and 10–15 stream sites will be selected in the Northeast, Southwest and Upper Midwest States which have been impacted or are presently susceptible to acidification;

(2) Maintain liaison and share mitigation research information as it is obtained with the Federal interagency trask force on acid precipitation;

(3) Provide the central research design and management, quality assurance, data management and standardized protocols for chemical and biological sampling to ensure statistical and scientific credibility of the data;

(4) Establish appropriate contractual arrangements with the States, and other cooperating groups to implement the Evaluation Program and ensure comprehensible results; and

(5) Develop guidance manuals, based on the results of this extensive program, to assist Federal, State, and private resource managers in rehabilitating affected water bodies and protecting those that are susceptible to acid damage.

Previous research on mitigation of acidified waters has dealt generally with geology, bedrock and soil types, lake hydrology, deposition patterns, and land use characteristics that are different from those in the impacted areas of the United States. The work has often been fragmented and inadequately documented. The efficacy of treatments has not been sufficiently addressed. To date, most of the liming activities have emphasized only small lakes with specific stocks of desired sport fishes. There is not yet available a consistently effective general protocol for adding neutralizing agents to water which will ensure continued mitigation. Of equal concern in protecting the Nation's natural resources is the lack of adequate knowledge regarding the complex effects resulting from long-term liming upon the whole aquatic ecosystem, not just stocked sport fishes. Finally, very little has been done on the mitigation of stream environments and the biological responses of their community structures. At present, the scientific data collected by these other liming activities are inadequate to enable us to design effective mitigation programs in all susceptible water body types.

Specific new areas of research focus will include:

1. Monitoring the response of a wide variety of geologic formations in terms of buffering capacity and recoverability of buffering capacity;
2. Indepth attention to stream situations as well as lakes;
3. Monitoring of buffering effects upon the entire aquatic food chain and not just upon game fish species;
4. Determination of the effect of liming upon fish reproduction;
5. Analysis of the chemical exchange between sediments, the water column, and aquatic organisms subsequent to liming with particular emphasis upon training heavy metals;
6. Recording of pretreatment baseline conditions and post treatment results for the aquatic system as a whole.

RESIDUAL METAL TOXICITY

Senator McClure. How do you intend to structure your tests to investigate ways to handle residual metal toxicity after liming?

Mr. Jantzen. We've got him on the ball.

Mr. Smith. I think the chairman has read the report. As you know one of the problems is metal that is leached out through acidification, goes into the lakes, and becomes available to fish.

Liming precipitates those metals out and they fall to the bottom of the lakes. In the short term, it appears there is no problem; in fact, there may be a benefit. We don't know what the long-term effects are. That will be one of the things we'll look at. I don't have a study design in front of me but it is being developed.

Senator McClure. But you anticipate that you'll look at those long-term effects as best you can in the short term.

Mr. Smith. That's one of the questions that hasn't been answered.

EMPLOYMENT LEVELS

Senator McClure. Mr. Secretary, you've proposed no new employment to be used in this $6 million program. Some personnel will undoubtedly be required to develop the State cooperative agreements or to do the mitigation research, I would assume. Is that not correct?

Mr. Smith. I'm told that we will use five additional staff-years within our current personnel allocation to do this.

Senator McClure. Five man-years?

Mr. Smith. Yes, Mr. Chairman.

Senator McClure. In adaption——

Mr. Smith. That is for everything.

Senator McClure [continuing]. And in research?

Mr. SMITH. Yes; this includes research.

Senator McCLURE. And does that cover the total of all the future years and the Research Program, too, not just the additional grants?

Mr. SMITH. In terms of our activities, yes.

Senator McCLURE. That's an impressive program. It's going to scratch the surface.

Mr. SMITH. We are very efficient. We try.

Senator McCLURE. Well, really again, I wonder whether it is more than just symbolic. Yes, Mr. Jantzen.

Mr. JANTZEN. Mr. Chairman, we already have about 11 FTE's in this area. This budget proposal would add five staff-years to the present staff. It wouldn't be limited to five individuals.

CAUSE AND EFFECT

Senator McCLURE. I understand that. I think that helps us in scoping the program, but it also implies to me a great expansion of that in the future if, indeed, we determine that it's worthwhile. I think we need to make some determinations, some tradeoff questions.

The latest scientific information we have with respect to acid deposition, we're less certain of the facts now than we were 1 year ago. The more we research it, the less certain we are about what we know.

I'm not opposed to the research. Perhaps that's the way we acquire knowledge, is to become uncertain about some givens. But 1 year ago we would have said we know what the cause and effect are. Today there's some real doubt about whether we know where it comes from, how it got there, how we mitigate it or whether we can at the beginning.

We're talking about multibillion dollar prevention programs and a $5, $6 million Correction Program; and it may well be that, based upon some of the latest scientific information, the Correction Program is much more direct and much more efficient than the Prevention Program, the scrubbers at the source.

Everybody assumes the scrubber's the fault. The scientific evidence on that point is not nearly as clear now as it was 1 year ago if I read the literature correctly. Maybe we ought to put those billions in this program instead of the other one.

Mr. POTTER. Mr. Chairman, I think you have hit on an important point. I know that when this topic is discussed, it is pointed out that even if we pursue acid rain initiatives in terms of scrubbers and source elimination, we are at least 10 years away from anything to stop the problem.

That's one reason this effort is being made to investigate liming and really understand what we can do to maintain water quality during an interim period.

I'm not so sure that the actual research information exists in terms of the depositions of metals and other areas Dick Smith is talking about. That's one reason for our research request. But we will certainly provide for you some details on that as we proceed with the work.

Senator McClure. Thank you very much. I'd like to yield again to Senator Burdick I understand has some further questions.

FEDERAL EASEMENTS

Senator Burdick. Well, thank you. Thank you. This is not on blackbirds.

As you know, I come from the duck factory of the world, North Dakota. I wanted to ask you some questions about the acquisition of wetlands.

There has been considerable confusion about the number of acres subject to Federal easements in North Dakota just because prior to 1976 wetlands subject to particular easements were not mapped as part of the official documentation and requested by the landowners subject to Federal easements.

The Federal Fish and Wildlife Service was directed to map the areas covered by the pre-1976 easements as well as to identify the present location of wetlands on their properties. When easements are identified in this manner, the Service should adjust that State's acreage total as necessary. The Service should also report to the committee within 1 year on the number of properties so evaluated and any adjustment that were made to total State acreage figures.

That language is a part of S. 1329, the Emergency Wetlands Act, that we reported out of the Public Works Committee. Now, I just want to ask some questions that deal with quantifying these lands.

Now, suppose that we have a farm with 80 acres and 40 acres of that is good marsh duck land and 40 acres is still good cropland, and if this language is put into operation it would enable you people to quantify the land which is duck land and which is farmland.

Would that be helpful to you to have that authority?

Mr. Jantzen. Mr. Chairman, Senator Burdick. Because the issue of acreage is confusing, we have already agreed to map the pre-1976 easements without relying on any authorities which may be contained in S. 1329. This stems from the way easements were described on a quarter section basis without specific designation of wetlands. A map that everybody agrees with, including the person who gave the easement, the person who purchased the easement, and other parties has to help the situation. With such a wetland designation, we can all agree that, "These are the lands that we're talking about."

Senator Burdick. It just makes common sense. It costs the Government more money to buy land that doesn't have wildlife characteristics and you allow a program like the Garrison Program, which calls for 140,000 mitigated acres, that means you could buy more marshland.

Mr. Jantzen. Yes, sir. I was not a player at the time that the situation occurred, but as I understand it, the appraisal price and the moneys paid were based on the number of wetlands acres.

We weren't trying to compensate for or take uplands that weren't subject to flooding; but when we purchased the easement, wetlands were not designated within the total 160 acres described. That's the thing that we're trying to correct now.

Senator BURDICK. But so many times in the past you had to take the whole quarter.

Mr. JANTZEN. Sir?

Senator BURDICK. I say many times in the past you have had to take the whole quarter section.

Mr. JANTZEN. This occurred in the purchase process for ease of filing, and that's where this large difference in acreage came from. Depending on whose side you were on, you could pick one figure or the other—the total described acres or just the wetlands.

Senator BURDICK. Well, I just want to say that I think this is great, because I think for the Treasury and for the State and for the owners and everybody else, if you just quantify, the land is suitable for duck population, we've come a long way.

Mr. JANTZEN. If we know what we're dealing with, we're way ahead.

Senator BURDICK. Thank you.

FUNDING FOR LSRCP

Senator MCCLURE. Mr. Jantzen and Mr. Secretary, I want to compliment you on your proposal to fund the lower Snake River compensation plan at an appropriate level in fiscal year 1985. That is $4,591,000, up $862,000 over fiscal year 1984 to date, an increase of 23 percent.

Does that level maintain operations and studies at the fully recommended level?

Mr. JANTZEN. Yes, sir, at this stage of facility development, we believe that it will cover those costs as of 1985. In 1986 and 1987 it will not, because those are out-years with additional facilities planned. As they come on line, they will raise the cost.

Senator MCCLURE. But it will cover full costs of operations and studies program levels through fiscal year 1985.

Mr. JANTZEN. Yes, sir.

Senator MCCLURE. Not just at the program but at the fully recommended level.

Mr. JANTZEN. That's my understanding.

Senator MCCLURE. You're proposing reductions of $170,000 related to the Idaho Spring chinook egg bank and $117,000 related to general administration support.

What are those reductions?

Mr. JANTZEN. Dr. Kutkuhn will answer that, Mr. Chairman.

Dr. KUTKUHN. Mr. Chairman, the egg bank represents termination of an interim facility. As originally planned, the function is to be taken over by the Sawtooth State Fish Hatchery, which will be operational in fiscal 1985. That item refers to an interim facility that will no longer be needed.

The $117,000 reduction represents a shift in how the general administrative costs are reported. These costs are now shown under the general administration subactivity instead of fishery resources.

Senator MCCLURE. When you speak of the interim facility, are you talking about Idaho Spring?

SPRING CHINOOK EGG BANK

Dr. KUTKUHN. That's correct, Idaho Spring chinook egg bank is the facility.

Senator McCLURE. What will happen to the Idaho Spring facility?

Dr. KUTKUHN. I understand that it will no longer serve a function within the plan. I can't say what any future uses might be.

Senator McCLURE. Are you fully confident of the ability of the Sawtooth Hatchery to pick up the entire load?

Dr. KUTKUHN. I'm advised that the Sawtooth Hatchery has the capability to do so, sir.

Senator McCLURE. Would it be wise for us, in the event that there's some slippage in Sawtooth to keep the Idaho Spring facility in operation 1 additional year, until Sawtooth is fully operational, rather than assuming that it will be able to operate fully?

Dr. KUTKUHN. I understand from our experts that the facility will be fully operational as scheduled and the standby capability of the egg bank will not be needed. However, I can't completely dispense with the possibility that the egg bank might be needed.

Senator McCLURE. I guess the reason that I am a little concerned about changing from one operation to another is, the new operation doesn't always live up to expectation. I think we can only look at Dworshak facility to recognize how true that is. I would rather be safe than sorry. And until the plant is in operation, I hate to believe that it is going to operate as well as the experts tell us it's going to. It very seldom does.

Dr. KUTKUHN. I would like to think, sir, that this is a consideration that has been made.

Senator McCLURE. I would like to think so. I wonder if you might check that and provide some further information for the record, if you would, please.

Dr. KUTKUHN. I'd be pleased to do so.

[The information follows:]

SPRING CHINOOK EGG BANK

The Sawtooth Hatchery is intended to restore and maintain runs of spring chinook salmon to the upper Salmon River. These runs have been severely impacted by construction of the Snake River dams. The spring chinook egg bank activities are temporary activities that were undertaken to maintain the spring chinook runs in the upper Salmon River drainage until the Sawtooth Hatchery facilities could be completed. Essentially, this has entailed capture of returning adults at the Sawtooth site, taking of eggs from the adults, hatching and rearing at various existing hatchery facilities, and restocking of the spring chinook smolts in the upper Salmon River. Assuming construction work continues as anticipated, the Sawtooth Hatchery should be operational in fiscal year 1985 and will take over the functions currently maintained through the egg bank activities. Although the fiscal year 1985 budget shows a reduction of $170,000 associated with termination of egg bank activities, most of this funding is shifted to the operational funding base of the Sawtooth Hatchery which is increased by $150,000. If unforeseen difficulties should arise and the Sawtooth Hatchery is not fully operational by fiscal year 1985, the egg bank activities (egg taking, rearing, et cetera) would be continued in the interim with the funding shown for the Sawtooth Hatchery. Obviously, the critical requirement is to maintain the runs until the hatchery is completed and fully operational. The Service is fully confident that the overall funding request for the LSRCP is adequate to cover all potential interim needs.

LOWER SNAKE PROGRAM

Senator McCLURE. I understand that the Hagerman research field station will be concluding some of its ongoing research studies in the near future.

Will its expertise be available for use to help in the Lower Snake Program?

Mr. SMITH. Mr. Chairman, at Hagerman, we are phasing out rainbow trout nutrition work and moving into chinook salmon nutrition work. So the answer is yes.

Senator McCLURE. The answer is yes?

Mr. SMITH. Yes, Mr. Chairman.

Senator McCLURE. Is there a need for retrofitting or remodeling the existing laboratory?

Mr. SMITH. The facilities—yes.

Senator McCLURE. Could you provide a complete statement for the record, including the cost for construction and operation?

Mr. SMITH. Yes, sir.

Senator McCLURE. Thank you.

[The information follows:]

HAGERMAN RESEARCH FIELD STATION

The Service is redirecting the research at the Hagerman station from nutritional requirements of rainbow trout to the nutritional requirements of salmon. Studies to determine if high mortality of juvenile spring chinook salmon in hatcheries is related to nutritional inadequacies have already been initiated. Several possible improvements would add to the effectiveness of the facility for this work. The existing wet laboratory is in poor condition. Engineering studies have been initiated on replacement of the building; the estimated cost of this work is $606,000. Other improvements that would add to the future research capabilities of the station include rehabilitation of the existing raceways ($350,000), development of a geothermal well to provide the capability for controlling the temperature of the 15 degree Centigrade well water for research use ($350,000), and the construction of additional laboratory work space ($175,000). These needs will be considered with all other Service needs in the development of future budget requests.

DWORSHAK FISHERY ASSISTANCE STATION

Senator McCLURE. Also, to the degree that Dworshak fishery assistance station needs to be further involved in evaluation of the lower Snake plan, would you please indicate, FWS capability in that regard.

Dr. KUTKUHN. I'm not sure I understood your question, sir.

Senator McCLURE. To the degree that the Dworshak fishery assistance station needs to be further involved in the evaluation for the lower Snake plan, could you provide me a statement of the capability of the Fish and Wildlife Service?

Dr. KUTKUHN. Yes; we'll be pleased to do that for you, sir.

Senator McCLURE. Thank you.

[The information follows:]

DWORSHAK FISHERY ASSISTANCE OFFICE

The Dworshak Fishery Assistance Office [FAO] is currently actively involved in LSRCP activities primarily through providing technical staff expertise in close cooperation with the State fishery agencies in development of guidelines for evaluation activities under the lower Snake River compensation plan [LSRCP]. These guidelines will provide the basis for evaluating the effectiveness of LSRCP operations and overall mitigation activities. The Dworshak FAO will be responsible for evaluation activities relating to the two FWS operated hatcheries—Hagerman NFH and Dworshak NFH—involved in production of fish for the LSRCP. In the future, the Dworshak FAO will continue to have close involvement in such things as fish marking, assessment activities, fish disease work, and other LSRCP activities.

BEAR LAKE NUTRIENT AND SEDIMENT STUDY

Senator McCLURE. Another item of particular interest to Idaho is the Bear Lake nutrient and sediment study. We added $250,000 to the fiscal year 1984 appropriations bill to conduct the study.

What will it cost in total?

Mr. JANTZEN. Mr. Chairman, I'd like to have Mr. Lambertson, who is program manager, answer that.

Mr. LAMBERTSON. Mr. Chairman, during the first year, we're doing a study design, analyzing what is already known and specific problems in the area. We have not determined what additional work or additional costs would be needed; however, we are committed to using base funds to cover those future costs.

Senator McCLURE. What will be foregone as the result of diverting base funds to this project?

Mr. LAMBERTSON. Mr. Chairman, that determination has not yet been made.

Senator McCLURE. Do you know when it will be?

Mr. LAMBERTSON. It will be made later this year.

Senator McCLURE. You don't know how much later?

Mr. LAMBERTSON. We don't. We have not reached a point where we can determine exactly what funding will be needed next year. An analysis is being made now to arrive at some conclusions as to the need for further study and the associated costs. At that time we would be prepared to make an accurate cost determination.

Senator McCLURE. But there will be 1985 funds spent; is that not correct?

Mr. LAMBERTSON. Yes, sir.

Senator McCLURE. And what you're suggesting is, it will be diverted or found within the base program and, obviously, if this is a new program, it's going to take away from something else.

Mr. LAMBERTSON. That could happen, yes, sir.

Senator McCLURE. I would like that information as early as you possibly can give it to us. Do you have any idea of when that might be available?

Mr. LAMBERTSON. They're undertaking the analysis now. We'll have to check with the regions involved on a completion date.

Senator McCLURE. Would you provide me with that information, please?

Mr. JANTZEN. We can check with the region and provide the chairman with a target date.

Senator MCCLURE. All right.

[The information follows:]

FUNDING FOR THE BEAR LAKE EUTROPHICATION STUDY

The Service was directed to conduct a study on, and adjacent to, Bear Lake NWR in fiscal year 1984 and fiscal year 1985 to evaluate possible solutions to the nutrient loading probelm of Bear Lake. The study will be completely funded out of resource management funds that were appropriated by Congress in fiscal year 1984. The study will be conducted during fiscal year 1984 and fiscal year 1985 using fiscal year 1984 funds. Most of the costs associated with the study will be under contracts that will be let in fiscal year 1984. Any costs incurred in fiscal year 1985 for contract administration and final report preparation will be covered by base operational funds.

RESOURCES AT BEAR LAKE

Senator MCCLURE. Maybe, in order to complete this particular area of questioning without having to submit it for the record, further, what resources are at risk if Bear Lake is permitted to continue in eutrophication?

Mr. LAMBERTSON. Mr. Chairman, it's a typical eutrophication process, where the aquatic environment is modified as a result of the deposit of nutrients. To some extent, the waterfowl habitat might actually benefit from this. In effect, the aging of the lake could create marsh habitat that actually might be beneficial to the waterfowl resources; however, there could be negative impacts on fishery resources and other aquatic resources. The purpose of the current analysis is to identify those potential impacts and how they should be handled.

Senator MCCLURE. Is there any imminent threat or proposed project that would accelerate that process?

Mr. LAMBERTSON. Do you mean projects upstream from the lake?

Senator MCCLURE. Or in the lake.

Mr. LAMBERTSON. I'm not aware, Mr. Chairman, of any. We are looking at offsite impact.

Senator MCCLURE. Let me suggest to you, there is a diking project that many believe will accelerate that eutrophication process. We would like to know—and as quickly as possible, for obvious reasons, what impact that might have, and whether or not we should be concerned. And if we should be concerned, what should we do about it.

[The information follows:]

STATUS OF DIKING PROPOSAL

In March 1983, EPA completed the 314 clean lake study that addressed possible solutions to the eutrophication of Bear Lake in Idaho and Utah. The 314 clean lake study report, released in July 1983, proposed a conceptual diking plan for portions of the Bear Lake watershed, as one of several possible solutions to reduce the nutrient loading problem of the lake.

Bear Lake National Wildlife Refuge [NWR] is located in Idaho at the north end of Bear Lake in part of the lake's watershed. The refuge can possibly contribute to some degree in correcting the eutrophication problem of the lake. In light of this, the Service, directed by Congress with a fiscal year 1984 appropriation, will be conducting a study on, and adjacent to, Bear Lake NWR in fiscal year 1984 and fiscal year 1985. The purpose of the study is to evaluate possible ways in which the refuge could contribute to solving the eutrophication problem. The study will also attempt to predict the effect these solutions might have on the wildlife values of the refuge and recommend mitigation measures where necessary. The study will evaluate all feasible solutions to the eutrophication problem, where the refuge could contribute through development and/or management projects, including the EPA conceptual diking proposal. Considering the Service's zone of administrative and management responsibilities, the Service study will be limited to the refuge lands and adjoining areas or streams.

Until the study is completed, there is no way of knowing if diking will be used as a means to help control the eutrophication of Bear Lake. If diking is done by the Service, it will be located on Bear Lake NWR to improve the efficiency of the refuge as a nutrient collection point. This would reduce the nutrient flow into the lake and thereby help maintain the water quality of the lake.

COOPERATIVE RESEARCH UNITS

Senator McClure. On page 75, you propose to restructure the cooperative fish and wildlife units for a saving of $1,274,000.

Does this proposal have widespread acceptance?

Mr. Jantzen. Mr. Chairman—no! [laughing.] It has acceptance on both ends of the spectrum. Some States are saying, you know, "Not on your tintype." Others have already come forward on a voluntary basis. I believe the chairman has approved a reprogramming request for one State that has gone into the combined program. So you have the two extremes and everything in between.

Senator McClure. Yes.

Mr. Jantzen. We see serious problem areas with four or five States. We think, from what we know after discussing this with the States and the cooperators, that there is certainly a willingness by a number of States to look at the idea positively and constructively. We are working on one or two others right now on a voluntary basis, similar to the one you just approved.

Senator McClure. I'll ask you—I appreciate your candid answer to the fact that there are some who don't like it.

Let me ask another question that sounds a little bit like, when did you stop beating your wife. To the extent that you have received acceptance, how much of that is really voluntary and how much of it is distorted? [Laughter.]

Mr. Jantzen. Mmmm—could we use the word "coerced"? [Laughter.]

Senator McClure. All right.

Mr. Jantzen. "Hortatory." [Laughter.]

Mr. Chairman, I would like to ask Mr. Smith to respond to that. He's the one that's been working with the States and is directly involved managing the program. I think he can probably give you a pretty good feel for it.

Mr. Smith. I've heard the word also "blackmail."

Senator McClure. Yes; I've heard that too. We choose the semantics. I think you know what I am trying to get at.

Mr. Smith. I think a few of States—for instance, South Dakota, which we just submitted to the committee, see the value in combined units. I think some States, as Mr. Jantzen said, see no value at all. I think that the States that see a value understand that dealing with fish and wildlife matters at one location will result in better coordinated programs. Those who are against consolidation generally, see a loss of a person or persons at the university that can do research.

So I think, as Mr. Jantzen indicated, the reactions cover the ballpark.

Senator McClure. Well, could you provide for the record a table or a listing State by State of their reactions, as you see them, and the comparison of the current situation, as compared to the budget proposal?

Mr. Smith. You're talking about dollars this year versus the budget year?

Senator McClure. Yes; and State by State reaction to that proposal.

Mr. Smith. I will provide that information.

[The information follows:]

Cooperative Research Unit Funding, Structure, and FTE

The table below outlines the budget, administrative structure, and personnel for Fiscal Years 1984 and 1985 in the Cooperative Research Units Program. The FY 1984 budget includes salary support for Fish and Wildlife Service employees and support for special projects and equipment. In the budget proposal for FY 1985, salary and project support funds are displayed as the base funding. The Service was allocated 57 FTE for the Program in FY 1984; this table shows 78 FTE as actually being used. The last column broadly categorizes the formal and informal reactions by the States involved to the proposal to combine Fish and Wildlife Research Units where they presently exist independently; those contacting Congressional delegations are listed as strongly opposed whereas those stating their objectives to the Service are listed as opposed.

	FY 84				FY 85			
State	Funding Base ($000)	Special Project Support ($000)	Current Structure	FTE	Funding Base * ($000)	Proposed Structure	FTE	State Response
Alabama	99	20	Wildlife Fishery	2	120	Combined	2	agreed
Alaska	223	52	Wildlife Fishery	4	120	Combined	2	opposed
Arizona	191	25	Wildlife Fishery	4	120	Combined	2	opposed
California	99	20	Fishery	2	70	Fishery	1	no change
Colorado	83	30	Wildlife Fishery	2	120	Combined	2	agreed
Florida	99	32	Combined		120	Combined	2	no change

State	FY 84				FY 85			State Response
	Funding Base ($000)	Special Project Support ($000)	Current Structure	FTE	Funding Base * ($000)	Proposed Structure	FTE	
Georgia	125	25	Wildlife Fishery	3	120	Combined	2	agreed
Hawaii	52	32	Fishery	1	70	Fishery	1	no change
Idaho	170	35	Wildlife Fishery	4	120	Combined	2	strongly opposed
Iowa	156	20	Wildlife Fishery	3	120	Combined	2	strongly opposed
Louisiana	132	20	Wildlife Fishery	3	120	Combined	2	opposed
Maine	125	30	Wildlife Fishery	2	120	Combined	2	strongly opposed
Massachusetts	132	25	Wildlife Fishery	3	120	Combined	2	opposed
Missouri	109	48	Wildlife Fishery	3	120	Combined	2	agreed
Montana	178	50	Wildlife Fishery	4	120	Combined	2	strongly opposed

State	FY 84				FY 85			State Response
	Funding Base ($000)	Special Project Support ($000)	Current Structure	FTE	Funding Base * ($000)	Proposed Structure	FTE	
Mississippi	105	30	Combined	2	120	Combined	2	no change
New York	176	20	Wildlife Fishery	3	120	Combined	2	agreed
North Carolina	94	20	Fishery	2	70	Fishery	1	no change
Ohio	170	20	Wildlife Fishery	4	120	Combined	2	opposed
Oklahoma	51	30	Wildlife Fishery	1	120	Combined	2	agreed
Oregon	172	57	Wildlife Fishery	4	120	Combined	2	strongly opposed
Pennsylvania	87	35	Combined	2	120	Combined	2	no change
South Dakota	54	54	Combined	1	120	Combined	2	no change
Tennessee	47	20	Fishery	1	70	Fishery	1	no change
Utah	181	30	Wildlife Fishery	4	120	Combined	2	opposed
Virginia	78	25	Wildlife Fishery	2	120	Combined	2	agreed

State	FY 84				FY 85			State Response
	Funding Base ($000)	Special Project Support ($000)	Current Structure	FTE	Funding Base * ($000)	Proposed Structure	FTE	
Washington	46	24	Fishery	1	70	Fishery	1	no change
Wisconsin	100	25	Wildlife Fishery	2	120	Combined	2	strongly opposed
Wyoming	101	35	Combined	2	120	Combined	2	no change
		889						
Program Administration	450			5	425		4	
Totals - Funds	$ 4,774				$ 3,655			
Totals - FTE				78			57	

* FY 1985 funding is a combination of salary and project support

STATE REACTION TO PROPOSAL

Senator McClure. Because, while you've indicated that there's some acceptance, and I think there is, we have heard from, I think, seven States with strong objections.

Mr. Smith. You know one that I don't, then. I was going to say six, but there's also at least six that don't have an objection.

Senator McClure. Right.

Mr. Smith. And there is a body of people that don't respond, one way or another.

Senator McClure. Well, I could read them. I guess it's no secret. Wisconsin, Arizona, Louisiana, Oregon, Utah, Pennslyvania, and Ohio.

Mr. Smith. Against the program?

Senator McClure. Have come to us with objections.

Mr. Smith. I haven't heard from some of those. I have heard from Iowa, Oregon, and Maine as being against. I heard Arizona said they——

Senator McClure. Now you've added to our list. We've up to 10 now. [Laughter.]

Mr. Smith. I know. But you've got two on your list that told me that they didn't really care.

Senator McClure. Yes. [Laughter.]

Do you intend to wait for congressional action, or do you intend to proceed, mid-year?

Mr. Jantzen. Mr. Chairman, we are proceeding now on a voluntary basis.

Senator McClure. On a voluntary basis——

Mr. Jantzen. On a voluntary basis.

Senator McClure [continuing]. And how about if it is not voluntary?

Mr. Jantzen. Congressional action on the budget is going to drive that in 1985. We are serious about consolidation and streamlining.

Senator McClure. I know you're serious. I just wondered how serious you were, as compared to waiting for us.

Mr. Jantzen. We're going to keep working with the States and try to get as many combined as we can.

FUNDING REDUCTION

Senator McClure. In fiscal year 1984, the fish co-op unit in Idaho is budgeted at $89,000 for the staff of two. The wildlife co-op unit is budgeted in 1984 at $81,000, also with a staff of two. For 1985, you indicated that the combined fish and wildlife unit would be funded at $120,000, with a total staff of two.

This represents a funding reduction of 30 percent and a staffing reduction of 50 percent.

Is this what you mean when you characterize your proposal as providing an increase in efficiency and for making the unit program more flexible and responsive to the cooperators, the Service and the issues at hand?

Mr. JANTZEN. Mr. Chairman, the staffing is based on the dollars that are in the budget. Also, I believe that it contemplates that there would be additional moneys available to conduct actual research.

Senator McCLURE. Still takes people to do research. .

Mr. JANTZEN. That's correct, sir.

Senator McCLURE. How do you match up a funding reduction of 30 percent with a personnel reduction of 50 percent? That's the essential question.

Mr. JANTZEN. If the funding and personnel reductions were at the same percentage level, we would have funds available only for personnel costs and no funds available for research.

Senator McCLURE. So you're separating the research as a separate activity and increasing the component on the independent research and decreasing the in-house personnel? Is that what you're talking about?

Mr. JANTZEN. We feel it would give us more dollars for equipment, travel, and so forth needed to conduct the research rather than having all available dollars tied up in salaries. This would reduce the reliance on the so-called soft money or contract money to support needed research.

ADMINISTRATIVE OVERHEAD CHARGES

Senator McCLURE. Let me shift for just one or two more questions to another subject, and the rest of this we'll have to submit for the record.

Mr. Jantzen, we've been receiving complaints concerning the administrative overhead charges applied to the Animal Damage Control Program. For example, the Southeastern Idaho Predatory Animal Control District passed a resolution on October 12, 1983, refusing to pay that portion of the fiscal year 1983–84 predator control budget titled "Administrative Assessment." This assessment totals $7,444 out of a program of $49,619, for an overhead percentage of 15 percent. I understand that the Service does not charge an assessment rate for agreements calling for payment of salaries and benefits of service employees.

Why can't that provision be applied in this case?

Mr. JANTZEN. Mr. Chairman, we've discussed that. At first glance there does appear to be a dual standard in the program. The rate of assessment depends upon whether funds are classified as contributed or cooperative funds. I'd like to have Dr. Verburg give you the details to your question.

Senator McCLURE. All right.

Dr. VERBURG. There is an important distinction, I think, between the personnel salaries and the benefits and the policy of assessing agreements for the 15 percent. Under reimbursable agreements, the Service receives funding to pay salaries and benefits, such as health insurance, retirement, and so forth, of our employees. The additional amount, which is the 15-percent assessment, provides for support activities including personnel actions, contracts, and other administrative processes associated with the work covered by the agreement. Administrative assessments are broadly applied throughout the Government. We have surveyed other bureaus in our Department, and we find that 15 percent is actually a lower rate than some of the other bureaus charge to recover the direct and indirect costs associated with these agreements.

Senator McCLURE. If I understood you to say you think that from your survey of other agencies, 15 percent is lower than is charged in some other instances?

Dr. VERBURG. There are some other bureaus that are charging higher rates.

Senator McCLURE. More than 15 percent?

Dr. VERBURG. Yes, sir. We know of some that are charging about 17½ percent.

Senator McCLURE. Could you provide for the record that list?

Dr. VERBURG. Yes, sir. This is a governmentwide procedure, not just Interior.

Senator McCLURE. Yes, I understand that.

[The information follows:]

COMPARISON OF OVERHEAD/ADMINISTRATIVE ASSESSMENT RATE

The following are examples of the current overhead/administrative assessment rates charged by other bureaus within Interior as compared to the Fish and Wildlife Service.

Bureau of Mines—15 percent; Bureau of Land Management—17.5 percent; Bureau of Reclamation—15 percent; and Fish and Wildlife Service—15 percent.

OVERHEAD GENERAL CHARGE

Senator McCLURE. My understanding is that funds are not really directly associated with handling the funds. There is a kind of an overhead general charge; is that correct?

Dr. VERBURG. Yes; that is associated with the 15 percent.

Senator McCLURE. It is not necessarily the direct cost of handling the funds?

Dr. VERBURG. It is the cost associated with making services available that are required by the agreement including processing personnel actions for hiring Federal employees to conduct the program and other administrative costs associated with the reimbursable effort.

Senator McCLURE. And I think the record should reflect that that includes rental of space, FTS, telephones, postage, printing, similar administrative costs, but not necessarily directly related to the handling of the funds. It's an average total overhead cost spread over all funds; is that correct?

Dr. VERBURG. Yes, sir. We are required to recover direct and indirect costs through several provisions——

Senator McCLURE. The question is: What is an "indirect cost"? If you didn't handle these funds, what would your costs be? Would your overhead costs go down, if you didn't handle these funds?

Dr. VERBURG. Yes; our costs would go down if we did not handle these funds. We have examples of that.

Senator McCLURE. Fewer personnel and smaller floor space, fewer telephones?

Dr. VERBURG. There are a couple of examples right now in the Animal Damage Control Program where we are making that sort of reduction. I'd like to cite some of them for you. The first one is the contract arrangement we have in the State of South Dakota and the State of Washington, where we provide up to $300,000 for the State to perform the program. There is no overhead assessment of that.

Senator McCLURE. So you're seeking to make a uniform overall policy; is that correct?

Dr. VERBURG. Well, this is one example where we do not charge assessments, because of the way the program is administered. Another one is the cooperative agreement that we have with Texas, wherein the State hires the employees and we supervise them with a minimal staff. In that case, there is no assessment charge. So we do have examples of programs with no assessment charge.

ASSESSMENT FOR YOUTH PROGRAMS

Senator McCLURE. Why do you charge "Youth Program" zero?

Dr. VERBURG. They have been excluded in the past, due to the nature of that program.

Senator McCLURE. Why? "Due to the nature"? Who made that judgment?

Dr. VERBURG. That was a decision that has been made through time, not just recently, because——

Senator McCLURE [continuing]. It's time honored.

Dr. VERBURG. Yes, sir. It has been.

Senator McCLURE. It's in the "mists of antiquity." [Laughter.]

Is that correct?

Dr. VERBURG. It does go back several years. Again, it's due to the nature of the program and the activity being funded.

Senator McCLURE. "In the mists of antiquity," this program is charged 10 percent, not 15. Why did you decide to modernize this and not that?

Dr. VERBURG. We analyzed the costs associated with the various programs. Our Finance Office reviewed the total cost requirements last year to determine internal costs for the additional administrative costs resulting from reimbursable work.

Senator McCLURE. Well, I understand that, but that begs the issue. Why did you decide in the Youth Program to do something that you didn't decide to do in this one? Upon what basis, did you make that decision? You said, "Well, it's always been done that way."

Dr. VERBURG. It was a departmental practice established for Youth Program activities.

Senator McCLURE. You decided to favor youth activities and not favor animal damage control.

Dr. VERBURG. There are benefits provided directly to the Service by youth programs. For the past several years, the YCC Program has been a direct line item of our budget and not a reimbursable program. I think that's an important distinction in this program. We get trails built on refuges and other types of support to our facilities versus an external requirement from other——

Senator McClure. How about the money supplied by operators to the animal damage control? Isn't that a benefit to the Service?

Dr. Verburg. Yes, sir, but it's an external request, which is made directly on our facilities.

Senator McClure. An external request?

Dr. Verburg. Yes; from either——

Senator McClure. Oh, I see. Because somebody else benefits, and you don't regard it as benefit?

Dr. Verburg. It is a benefit, but of a different kind.

ASSESSMENT OF PASS-THROUGH FUNDS

Senator McClure. Why do you charge the Bureau of Reclamation and the EPA only 8½ percent?

Dr. Verburg. These are agreements where there is a waiver, due to the nature of the agreement. For example, if we have pass-through funding, such that the funds are administered by a university or another agent, for example, such that we do not incur the overall administrative costs. In these cases, we reduce the assessment rate to 8.5 percent.

Senator McClure. Well, the reduced assessment for pass-through funding was 2 percent?

Dr. Verburg. Yes, sir.

Senator McClure. And that's been raised to 8.5 percent?

Dr. Verburg. Yes, sir. As I mentioned, last year we did a study in our Finance Office of the actual direct and indirect costs involved. It was determined at that time that these costs were higher than 2 percent, that they were 8.5 percent. Again, this is a lower rate than charged by many other bureaus throughout the Government for similar, pass-through agreements.

Senator McClure. And that's based upon your assessment of what it costs you to handle those funds?

Dr. Verburg. Yes, sir.

Senator McClure. It doesn't take as many more telephones or as many more personnel or as many more square feet of floor space, to handle the passthrough of EPA funds as it does to pass through of cooperator's funds in the Animal Damage Control Program?

Dr. Verburg. Our dilemma here, sir, is that reimbursable funding has increased dramatically over the last 10 years. The total has risen from between $4 to $6 million up to $33 million. So we do have extra demands on our administrative costs, such as personnel, hiring, contracts, and so forth.

Senator McClure. Is it because they are reimbursable funds that they cost you more?

Dr. Verburg. Unlike our resource management account, where we have established a separate subactivity for general administration and administrative services, we do not have a separate activity set up for reimbursables. So we have used the procedure of assessing those agreements to pay for those costs. The total administrative costs in the Service funded from other than resource management is $6 million as reflected in the budget justification.

Senator McClure. Well, would it be fair to say—what is the overhead cost for Nevada and Utah ADC programs?

Dr. Verburg. I do not have that figure at the moment, sir, but I can submit it for the record.

Senator McClure. If you would do that.

Dr. Verburg. I would be pleased to.

[The information follows:]

Overhead for Nevada and Utah ADC Programs

There is no Service general administrative services assessment on non-Service appropriated funds (cooperative funds) in the Nevada and Utah ADC programs because the Service does not actually receive any non-Service appropriated funds for the Nevada and Utah ADC programs. In these States non-Service appropriated ADC Program funds are retained by the cooperators and used to pay directly for ADC Program activities conducted by cooperative employees. The Service only certifies as to the correctness of the claims to be paid out of the cooperative funds.

IDAHO PROGRAM ASSESSMENTS

Senator McClure. I want to submit some further questions with respect to that because apparently there is some way that other people are doing this to avoid the overhead assessment.

You have made a decision. I am trying to find out what there is in the decision that caused you to in other instances charge less or nothing, and obviously what I am suggesting is, if that is a good way to proceed, we will try to see if the Idaho Program can qualify under the other exceptions you have made.

One coyote control research efforts relates to better utilization of livestock guard dogs. In 1984, the committee funded a $45,000 research project at the New England Farm Center at Hampshire College, MA.

How is that project progressing?

Mr. Jantzen. Mr. Chairman, Mr. Smith will answer that.

LIVESTOCK GUARD DOG PROJECT

Mr. Smith. The contract money has not been sent to the university. As far as I know the work is being done in anticipation that the money will come soon. The Fish and Wildlife Service has signed a contract and sent it to the university for signature.

Senator McClure. Will the program be finished in fiscal year 1984?

Mr. Smith. No; it will not.

Senator McClure. How long will it continue? Do you know?

Mr. Smith. The proposal submitted by Hampshire University was a 3-year program, $45,000 per year.

Senator McClure. Per year?

Mr. Smith. Per year. We anticipated funding it for 1 year.

Senator McClure. Another major effort in guard dog work is being conducted by the U.S. Department of Agriculture at the Dubois sheep experiment station in Dubois, ID.

Can you contrast or compare the two research efforts for me?

Mr. SMITH. I wouldn't call it a major effort because the funding at the agriculture center peaked about 3 years ago and since then has gone down. They are still doing some work. I think it is complementary rather than duplicative. Both groups feel that there is a place for guard dogs in predator damage control work and both are pursuing that.

Senator MCCLURE. Well, am I correct that you want to discontinue the research at Hampshire College?

Mr. SMITH. The budget proposes——

Senator MCCLURE. And let Dubois take the lead?

Mr. SMITH. The rationale in the budget says that Dubois should take the lead.

Senator MCCLURE. You don't think the two programs are duplicative?

Mr. SMITH. I think that it is low in the priority of the Fish and Wildlife Service. I don't think the two programs are duplicative.

Senator MCCLURE. They are two different programs?

Mr. SMITH. Two different programs dealing with the same subject matter but doing different things. The program at Dubois is not large.

GRIZZLY BEAR

Senator MCCLURE. Well, I have a number of other questions, and I am particularly interested with respect to some areas such as lead/steel shot research efforts. As you know, that has been a matter of continuing concern to this committee and to myself, based upon how much do we know.

I have some questions that I want to particularly focus on the Endangered Species Program Administration. As you would know, there are some endangered species that are more benign than others in their contacts with human beings, and I would be very candid, we are talking about grizzly bear.

Some years ago, the National Park Service transported grizzly bear out of Yellowstone National Park. They denied that they did it. I had to review their records to prove that they had done it. They denied repeatedly up here that they had done it.

And I guess what I am trying to tell you is I want honesty from you as to what we are doing because I will not be satisfied with an offhand answer. That is not a threat; it is a promise. I want to know what the Fish and Wildlife Service is doing with respect to the transportation of grizzly bear into habitat where they are not now located, and I wish you would tell me for the record, respond to me, what you may be doing with respect to the reinstallation of grizzly bear into suitable habitat but where they are not now found.

If you would provide that for the record, please.

Mr. JANTZEN. I would be happy to, Mr. Chairman. We want you to know what we are doing.

[The information follows:]

GRIZZLY BEAR REINTRODUCTION

The grizzly bear was listed as a threatened species in the lower 48 conterminous States in July 1975, and the grizzly bear recovery plan was approved in January 1982. Grizzly populations remain in six U.S. areas (North Cascades, WA; Selkirks, ID; Cabinet/Yaak, ID–MT; Selway Bitterroot, ID–MT; Northern Continental Divide, MT; and Yellowstone, WY–MT–ID). The largest number are in the Northern Continental Divide ecosystem, and the total population is estimated at 700 to 1,000 animals.

The Service has no plans to reintroduce grizzlies into formerly occupied habitat. However, the Service is considering augmenting the grizzly population in the Cabinet/Yaak ecosystem. Niether the population size nor population trend is known in this ecosystem, although it has been estimated that there are 12 animals in the Cabinet Mountain portion of this ecosystem. Only two to four bears are being considered in this proposal, and augmentation in other areas would not be attempted until the results and evaluations are completed in the Cabinet/Yaak area.

Presently, the Interagency Grizzly Bear Committee (IGBC, consisting of the Fish and Wildlife Service, Forest Service, National Park Service, Bureau of Indian Affairs, and the States of Washington, Idaho, Montana, and Wyoming) are cooperating on the problem, of nuisance bears. How nuisance bears are handled depends on where the conflicts are occurring. Conflicts sometimes occur in so-called situation 1 areas, habitat deemed essential for grizzly bear. In these cases, the attractant to the bear (for example, grazing sheep), not the bear, is relocated out of the area. In all other cases of conflict, the bears are relocated.

Working under guidelines developed in 1979 that define nuisance bears, and how to deal with and relocate them (but separate from the grizzly bear recovery plan), the IGBC captures and transports nuisance grizzlies from the site of the problem to backcountry areas within the six known ecosystem ranges described previously. The transporting agency then monitors the relocated bear for its subsequent movements. Grizzlies are thus confined to their known ecosystems, and there are no plans to relocate them to areas where they currently do not exist.

PUBLIC REACTION

Senator MCCLURE. The public must know——

Mr. JANTZEN. I agree.

Senator MCCLURE [continuing]. Will insist on knowing, and we run into some very conflicting public priorities.

Mr. JANTZEN. It has to be out on the table and discussed. If we don't do it that way, it is going to be counterproductive and knock the whole program back.

Senator MCCLURE. I agree with you, and I appreciate that attitude because we haven't always found it in the administrative agencies. They have assumed they could get something done without telling the public they were doing it.

Mr. JANTZEN. It doesn't work.

Senator MCCLURE. It doesn't in the long run, although it did get one old fellow down in southeastern Idaho prosecuted for defending himself against one of those grizzlies. After several times when it was trying to break into the place where he and his wife were living, he shot it and was prosecuted, and that was because of transportation. It wasn't a grizzly bear that just wandered on its own. That causes public reactions.

Mr. JANTZEN. That was the one that was moved?

Senator MCCLURE. Yes; it was one you moved. Now, you didn't drop it on his cabin, and you didn't even plant it in his front yard. It was about 16 miles that it moved on its own after you had moved it 150.

Mr. JANTZEN. Did the Fish and Wildlife Service move it?

Senator McCLURE. National Park Service. You, the Government.

Mr. JANTZEN. Oh, OK. [Laughter.] Us, the executive branch, yes.

ADDITIONAL COMMITTEE QUESTIONS

Senator McCLURE. OK. I do have a number of other questions, but I have another commitment, too, and for that reason I will have to recess the meeting at this time.

I do thank you very much for your appearance and testimony. We will submit other questions for response in writing.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

Acidified Surface Waters

Question: Another of your environmental contaminant initiatives is a $5,000,000 increase to evaluate mitigation effects of liming acidified lakes and streams. Your budget proposal (p. 51), refers to cooperative agreements with States to accomplish demonstration projects across a variety of water types and geographic regions. There is an additional increase of $1,000,000 proposed (p.65) as a research initiative in support of the mitigation liming program. Can you tell us what you hope to learn through the liming program?

Answer: The goals of the Service's mitigation program are to research and evaluate various mitigation strategies for effectively rehabilitating acid damaged aquatic ecosystems and to prevent or limit acid deposition effects in susceptible water bodies that have not yet been acidified. The program will build on the previous information developed in Scandinavia, Canada, and some States. Utilizing consistent and uniform evaluation criteria, the demonstration projects will verify the mitigation effects of different technologies on the biological communities of impacted and potentially vulnerable lakes and streams located in distinct geographic regions. The Service's program is designed to provide the information necessary to understand both the short- and long-term ecological consequences for best available mitigation options. Specific sampling protocols and monitoring procedures will be developed to ensure that consistent and reliable data are gathered from the diverse study sites. Results of the demonstration projects will provide the information necessary to develop guidance manuals for Federal and State resource managers desiring to implement operational mitigation programs.

Specific new areas of research focus will include:

- Monitoring the response of a wide variety of geologic formations in terms of buffering capacity and recoverability of buffering capacity;

- Indepth attention to stream situations as well as lakes;

- Monitoring of buffering effects upon the entire aquatic food chain and not just upon game fish species;

- Determination of the effect of liming upon fish reproduction;

- Analysis of the chemical exchange between sediments, the water column and aquatic organisms subsequent to liming with particular emphasis upon tracking heavy metals;

- Recording of pretreatment baseline conditions and post treatment results for the aquatic system as a whole.

Question: Do we anticipate an expanded program in future years?

Answer: The focus of the present program is on selected mitigation techniques which have the greatest potential for successfully addressing the acidification issues. It is not anticipated that an expansion will be necessary in future years. However, it is difficult to predict what program level may become appropriate until the results of the present effort become known.

Question: Is this initiative one of the recommendations of the government's Acid Precipitation Task Force?

Answer: The Service's mitigation program is closely integrated with the National Acid Precipitation Assessment Program. This mitigation initiative is recommended and supported by both the Interagency Task Force and the recent ad hoc (Deutsch Committee) review of the Government's program.

Question: You have proposed no new employment to be used in this $6 million program. Some personnel will surely be required, for example, to develop the State cooperative agreements or to do the mitigation research, won't they?

Answer: We anticipate that approximately five staff years of effort will be reassigned for overall program administration and cooperative agreement efforts. These will be in addition to the 11 FTEs that are currently used for acid rain activities. The mitigation research will be handled through the Fish and Wildlife Cooperative Units with some work being performed by Service Laboratories.

Chesapeake Bay Cleanup

Question: One of the Administration's major initiatives for FY 1985 is funding to cleanup the Chesapeake Bay. The EPA is budgeted for an increase of $10 million annually for the next four years, to begin developing management presciptions for improving the water quality of the Chesapeake Bay. What will be the Fish and Wildlife Service's role in this project?

Answer: At present the Service has no formal role in the project. The Service was involved in earlier efforts related to the Chesapeake Bay including cooperation with the States of Maryland and Virginia, with EPA, and with other conservation interests during the Environmental Protection Agency (EPA) study and the 1983 workshop. During the period of this study, EPA provided approximately $300,000 to the Service for studies of submerged aquatic vegetation and an evaluation of changes in wintering waterfowl.

Although they are not a formal part of the cleanup effort, the Service is presently working in a number of areas that affect the Chesapeake Bay. Through the Fish and Wildlife Coordination Act, the Service routinely reviews water resource development projects that may impact fish and wildlife resources and this activity is expected to continue. The Service also has an active program for mapping wetlands in the area and will be working on an expanded analyses of the status and trends of wetlands in the Chesapeake Bay area. The Service occasionally has stocked fish in the area, has conducted studies of striped bass as part of the Emergency Striped Bass Study funded under the Anadromous Fish Grant Program, and is providing grant money to the State of Maryland for a study of population dynamics and harvest of shad and river herring in the Chesapeake Bay drainage. In addition, the Service will be investigating the impact of dredging on species composition in the Norfolk area using reimbursable funding from the Corps of Engineers.

Question: There are a number of reasons that the FWS needs to be involved. The Chesapeake Bay is the most important wintering area in the Atlantic flyway. Most of the problems in the Bay (loss of food sources; water quality; loss of oyster production; decline in production of striped bass and other anadromous fish; etc.), have to do with sediment and other contaminant depositions. The Service stocks FWS hatchery produced fish in and around the Bay. It seems to me that the Service's responsibilities for fish and wildlife resources would be useful for improving conditions in the Bay. What should the Service be doing that it is not?

Answer: The Service does not believe that it should assume a role as active manager of the fish and wildlife resources of the Bay. This is clearly the responsibility of the States, although the Service can provide assistance to the States in meeting this responsibility.

Some areas in which the Service could make a contribution include:

- o Field assessments of common resource problems relating to such things as fish and wildlife contamination, the condition and status of interstate fisheries, and long-term habitat changes or trends.
- o Coordination of inter-agency planning activities to assure management objectives consistent with the long-term capacity of the resource.
- o Technical assistance to State or other agencies in the restoration of the resources of Chesapeake Bay.
- o Striped bass propagation from existing National Fish Hatcheries for experimental stocking efforts.

Question: How would the Service distribute an increase of $1,000,000 to become an active participant in the Bay project?

Answer: The Service would distribute an increase of $1,000,000 as follows:

$450,000 Field assessments of resource problems.

Such assessments could result in better documentation of changes in aquatic vegetation extent and composition; substrate contaminant loading; particularly associated with historic striped bass spawning areas, and seasonal variation of pollutants in the water column and associated effect upon distribution of aquatic organisms.

$ 90,000 Coordination of interagency planning activities.

Via such coordination the Service would maintain an awareness of all inter-agency planning activities and be able to determine in a timely manner when and where Service technical assistance should be provided. The participation in such coordinated meetings would likewise insure that new ideas, as they surface, relative to how to best address Chesapeake Bay problems would become known to Service personnel and then become an integral part of Service efforts.

$400,000 Technical assistance to State, other agencies and to individuals.

Technical assistance could focus upon working with Soil Conservation Service personnel in watershed planning activities geared to reduce on-farm erosion problems while optimizing wetland benefits. Assisting individual county staffs, county engineers, and others involved in soil erosion control efforts could be actively pursued. Individual landowners could be provided with guidance relative to wetland issues and protection strategies. Guidance relative to aquatic vegetation replanting techniques could be provided to interested parties.

$ 60,000 Fish propagation for experimental striped bass stocking.

Striped bass stocking would be limited to that required to monitor fish response to contaminants present in different areas of the Bay and to study the possibility of increasing the overall population to a threshold level capable of maintaining itself through natural spawning where not precluded by contaminant stress.

Question: Does the Service anticipate receiving reimbursable funding from EPA for some of this work?

Answer: The Service is not anticipating funding from the EPA for any of this work.

Elk Mitigation Plan for Dworshak Dam, Idaho

Question: Has the elk mitigation plan associated with the Dworshak Dam been completed?

Answer: The elk mitigation plan associated with the Dworshak Dam is nearing completion. Approximately 24,000 acres of project lands and 4,028 acres of the originally proposed 12,000 acres of additional land are being made available for mitigation management.

Question: Is there any land acquisition included in the plan?

Answer: The original mitigation plan called for acquisition of 12,000 acres. The acquisition is actually a transfer from other public landholding to the mitigation purpose, not acquisition of private property. Because of difficulty in arranging for the transfer of lands, the Corps presently plans to try to accomplish the mitigation need through intense management of 24,000 acres of available project lands plus the 4,028 acres already acquired from other public landholdings.

Question: Is there another alternative to the management of forested lands to enhance productivity?

Answer: The Corps plans to intensify management on project lands and thus try to avoid the necessity of acquiring lands in addition to those already obtained. Management actions will include grazing and timber harvest. The Service will monitor their effort with hopes that it will be successful. We will expect that if the effort is not successful the additional lands again will be pursued.

Bear Lake NWR

Question: You have proposed to eliminate our FY 1984 add-on and complete the study in FY 1985 out of base funds. What will be the source of those funds?

Answer: The study, initiated with funds obligated in FY 1984, will continue into FY 1985. If necessary, minimal refuge operation and maintenance funds will be used in FY 1985 to complete the study.

Question: What will be forgone as a result of diverting base funds to this project?

Answer: Lower priority maintenance improvements on refuges in Region One, such as ditch and road improvements, can be diverted without impacting on resources at the refuges involved.

Animal Damage Control Program

Question: Mr. Jantzen, we've been receiving complaints concerning the administrative overhead charges applied to the animal damage control program. For example, the Southeastern Idaho Predator Animal Control District passed a resolution on October 12, 1983, refusing to pay that portion of the FY 1983-1984 Predator Control Budget titled "Administrative Assessment." This assessment totaled $7,444 out of a program of $49,619, for an overhead percentage of 15%. I understand that the Service does not charge an assessment rate for agreements calling for payment of salaries and benefits of Service employees. Why can't that provision be applied to this case?

Answer: The Service does not assess reimbursable agreements calling for payment of salaries and benefits of Service employees in those limited situations where it is determined that the reimbursements have only negligible impact on overhead cost. The Service has made this determination in only two cases: the Pocatello Supply Depot Officer and employees on Intergovernmental Personnel Act assignments. In the former case the Service charges no assessment because the officer is reimbursed out of the Pocatello Supply Depot revolving fund established under the Game Management Supply Depot Act of June 24, 1936 (16 U.S.C. 667). In the latter case the Service charges no assessment because the employees would continue their activities and be funded out of Service appropriated funds if it were not for Intergovernmental Personnel Act assignments and there is a mutual exchange or tradeoff of benefits between agencies. In contrast the Service ADC Program personnel in Idaho were hired on the basis of the anticipated reimbursements from those receiving services and would be eliminated if reimbursements were not forthcoming.

Question: Is there another way in which the Southeastern Idaho Predatory ADC board could change its procedures so as to not be charged an assessement? For example, could the Board directly pay their respective share of the expenses, rather than to contribute the funds to the FWS for administration?

Answer: The Southeastern Idaho Predatory ADC board is actually one of 10 districts under the jurisdiction of the Idaho State Predatory Animal Board; therefore, any change in the current method of operation would require approval of the State Board. Upon such approval, the Southeastern District could pay their respective share directly by hiring their own employees and have them participate as a full partner in the program. However, in order to properly administer the cooperative agreement and the reimbursable account, this restructuring would have to occur statewide, that is all 10 districts would have to hire their own employees. Another option would be for the Service to enter into a contract with a State agency to conduct ADC activities involving resident wildlife. The Service would provide appropriated funds to the State agency to actually perform ADC activities. The State agency could also use the funds collected by each of the 10 Predatory ADC Districts. This contract arrangement is currently in effect in Washington and South Dakota. In either restructuring above, the Service ceilings currently funded out of the reimbursements in Idaho would be eliminated and would require RIFing or placement elsewhere in the Service of these personnel.

ADC Research Reduction

Question: You are proposing to maintain ADC operations at the FY 1985 base level (p. 124) and to reduce the ADC research program $342,000 (-9%) (p. 140). What are the individual components of this research reduction?

Answer: The proposed research reduction consists of transferring the Olympia, Washington, and Bend, Oregon, field stations to the Forest Service ($297,000) as recommended by the Congress, and completing the livestock guard dog cooperative agreement ($45,000) at Hampshire College, Massachusetts.

Livestock Guard Dog Research

Question: Another major effort in guard dog work is being conducted by the U.S. Department of Agriculture at the Dubois Sheep Experiment Station in Dubois, Idaho. Can you contrast the two research efforts for me?

Answer: Following are the major similarities and differences between the two research programs:

1. Both groups want to determine if guard dogs are effective in reducing livestock losses.

2. The Dubois Sheep Experiment Station has limited its research to the Western United States, with 60 dogs, whereas the Hampshire College, Massachusetts program is involved in 31 States with 500 dogs.

3. The research phase of the Dubois Station is coming to a close as the Department of Agriculture believes the major objective has been accomplished. Their direction is now toward extension efforts to demonstrate utility of the technique. The Hampshire College group also has an active extension program.

4. Both groups are using existing breeds of guard dogs.

5. An additional objective of the program at Hampshire College, Massachusetts, is the development of a strain or strains of guard dogs by cross-breeding those dogs showing superior traits for trustworthiness, attentiveness, and protectiveness.

Question: I take it that you want to discontinue the research at Hampshire College and let Dubois take the lead. Can the Hampshire College research project be continued at Dubois? Perhaps we'll continue the funding and have it transferred to USDA to supplement ongoing efforts.

Answer: Yes, the Fish and Wildlife Service believes any additional funding should be coordinated through U.S. Department of Agriculture (USDA) at the Dubois Sheep Experiment Station. This is because USDA has conducted research on guard dogs more than has the Service, and already conducts a limited research extension program which will be required to implement results of guard dog studies.

Chemical Control Methods

Question: Overall, are we any closer to a consensus on the use of chemical wildlife damage control methods?

Answer: A consensus on the use of chemical wildlife damage control methods is highly unlikely because such use of chemicals is an emotional issue for some citizens. The Service, however, is committed to pursuing non-lethal and lethal methods of controlling wildlife damage and does not limit its efforts to chemical methods only.

Question: Is there any credible evidence that links an ADC M-44 cyanide device with the death of a California condor? Please provide details for the record.

Answer: The death of a California condor has been diagnosed by a veterinarian at the San Diego Zoo as "Metabolic death presumed due to cyanide poisoning until proven otherwise." So little is known about the direct and indirect effects of cyanide on birds that it is impossible to determine the condor's cause of death more precisely. Some cyanide was present in organ tissues. The finding of cause of death further cites as strong indicators in making the diagnosis, the presence of some fluorescent particles in the mouth of the condor similar to those used as a tracer in M-44 devices and the proximity of M-44s to the site where the condor was found.

The Service is beginning basic research on the effect of cyanide on birds which will improve our capability to evaluate poisoning related to cyanide. The Service is also initiating tests to determine if the fluorescent particles found in the dead condor's mouth are in fact tracerite, the tracer used in the M-44 device, as opposed to other flourescent particles found in the environment.

Question: In ADC operations, the Service provides technical assistance to other persons and organizations and also provides financial assistance, through contractual arrangements with States, for the control of resident wildlife damage. There are about 700 cooperative agreements in place. Operational funding for ADC agreements has remained essentially static, not even keeping up with inflation. What has happened to livestock losses?

Answer: A U.S. Department of Agriculture report "Sheep and Lamb Losses to Predators and Other Causes in the Western United States" estimated that about 8 percent of docked lambs and about 3 1/2 percent of adult sheep were lost to predation in 1974 in 15 Western States. A Colorado State University report "Lamb and Stock Sheep Losses in the 17 Western States 1980" estimated that about 6 1/2 percent of docked lambs and about 2 1/2 percent of adult sheep were lost to predation in 1980 in the 17 Western States. The data are based on surveys of sheep producers. Complete data were not available on lamb losses which occurs between birth and docking; therefore, no estimates were made of losses during this period. The latter report includes two small sheep producing States, Oklahoma and Washington, not included in the former report. Too few ranchers have been included in biological damage assessment studies to permit generalization as to overall loss levels which can be statistically compared with the levels in these two reports.

Question: What has happened to bird damage losses?

Answer: Some bird damage problems are increasing others are decreasing. Damage to sprouting corn is down, but damage to ripening corn is up. The Service has developed the use of Mesurol as a seed treatment to protect sprouting corn. Damage to cherries is down. The Service has developed the use of Mesurol to repel birds from cherries. Damage to rice and sunflowers seems to be up. Bird/aircraft hazards also seem to be up based on the number of bird/aircraft strikes, but this also may reflect greater aircraft traffic. Damage at livestock feedlots seems stable.

Question: One of the the principles of the ADC program that make it so effective is its cooperative nature. Cooperators contribute, in total, an amount of money essentially equal to Federal appropriations as their share of the program costs. These local funds are raised by assessments or through special levies, paid for by local livestock producers. I'm concerned that all operational costs are increasing, that livestock losses are continuing or increasing, that more ADC research is needed on various techniques, and yet the best we're able to do is lose ground slowly to inflation. Do you share my concern?

Answer: It is true that operational costs are increasing and livestock continue to be lost in high depredation areas; however, inflation is not the only cause. In the 1970s many of our chemical damage control registrations were cancelled and replacement compounds were not available. The Service has been conducting research to develop replacements. To help fill the void for coyote damage control the toxic collar has been developed and is undergoing registration review by the Environmental Protection Agency (EPA). Also, the EPA late last year allowed renewed field evaluation of single lethal dose baits for coyote damage control. For small mammal damage control, a new toxicant, benzenesulfonic acid hydrazide, has excellent potential. For controlling blackbird damage to ripening corn and sunflowers, hybrid corn and sunflower varieties showing resistance to bird damage are being investigated.

ADC Research Stations

Question: Please provide for the record a list by State of all Fish and Wildlife Service research stations showing 83, 84, and 85 funding sources and reductions proposed in FY 85.

Answer: The animal damage control research field stations and their funding resources are as follows:

	1983	1984	1985
Davis, CA	118,800	95,200	0 1/
Gainesville, FL	232,600	230,400	235,500
Hilo, HI	89,600	15,500	0 2/
Twin Falls, ID	133,200	141,800	148,000
Bowling Green, KY	208,000	217,500	227,500
Sandusky, OH	167,800	182,400	150,000
Bend, OR	50,700	53,200	0 3/
Dallas, OR	18,500	20,200	21,000
Monell, PA	77,000	79,300	82,000
Laredo, TX	49,600	53,200	56,000
Logan, UT	266,700	230,500	241,000
Olympia, WA	165,500	173,800	0 3/
	$1,576,400	$1,493,000	$1,161,000

1/ The termination of bird damage control research at Davis, California, represents an internal reallocation of animal damage control (ADC) dollars to higher priority research. It does not decrease ADC research dollars or close this field station because research related to use of irrigation drainwater and waterfowl is being expanded.

2/ Closure of the field station at Hilo, Hawaii, was directed by Congress in the FY 1983 conference committee report.

3/ The transfer of field stations at Bend, Oregon, and Olympia, Washington, is based on the FY 1985 budget proposal to move these activities to the Forest Service. The budget justification reduction of $297,000 for the transfer also includes Denver Wildlife Research Center support costs for these two stations.

Refuge Operations

Question: On page 101, you estimate that the Service's capital investments would require about $56 million annually for maintenance. On page 100, you indicate that you've budgeted $27,735,000 for maintenance. Does this mean that you are funding your refuge maintenance program at less than 50%? Please provide for the record specific projects where proper maintenance has not been done.

Answer: Yes, the maintenance program is currently funded at less than half the Service's estimate of what maintenance needs may be. The $27,735,000 is the FY 1985 base maintenance funding, comprised of base refuge funds ($13.1 million) and Accelerated Refuge Maintenance Management (ARMM) funds ($14.6 million). The requested increase of $1.3 million for FY 1985 brings the total maintenance funding to $29,063,000.

At present, it is not possible to identify specific projects where proper maintenance has not been done. The $56 million figure is based on an estimate of the cost to maintain $1.9 billion worth of refuge capital improvements and equipment. The Office of Maintenance Management is currently developing a computer system to identify and track maintenance needs and expenditures by field station throughout the Service. This system is expected to be operational by September 1984. At that time, the Office of Maintenance Management should be able to provide information on specific projects where proper maintenance has not been done.

Jobs Bill

Question: Please show for the record the distribution of Jobs Bill money and provide a status report on obligations and expenditures.

Answer: A total of $20 million was appropriated under the Jobs Bill to the Service for maintenance and rehabilitation projects at national wildlife refuges, national fish hatcheries, and research laboratories. Funds were allocated to 108 individual projects on 98 Service facilities located in 38 states. Service projects provided an estimated 506 work years of employment. Projects included such things as flood damage repair, road repair, water management facility repair, building rehabilitation/repair, energy conservation retrofitting, habitat rehabilitation, and fencing. Numbers of projects and amount of funding at the various types of Service facilities was as follows:

	Number	$000
National Wildlife Refuges	55	10,402
Dam Safety (National Wildlife Refuges)	17	1,765
National Fish Hatcheries	23	6,708
Research Laboratories	3	1,125
Total	98	$20,000

Allocation of funding by State with the associated work years of employment created was as follows:

State	Project Funding ($000)	Estimated Work Years Created
Alabama	570	15.00
Alaska	88	1.07
Arizona	553	14.00
Arkansas	190	8.00
California	1,525	39.00
Colorado	100	0.93
Florida	45	3.00
Georgia	870	50.00
Illinois	1,247	15.60
Iowa	350	5.90
Kansas	30	0.28
Louisiana	50	2.50
Maine	230	1.68
Maryland	292	20.00
Massachusetts	115	0.45
Michigan	805	15.00
Minnesota	120	2.80
Mississippi	50	6.00
Missouri	275	3.60
Montana	405	3.75
Nevada	85	2.02

State	Funding ($000)	Work Years Created
New Jersey	35	0.67
New Mexico	828	34.00
New York	45	1.33
North Carolina	415	15.00
North Dakota	515	4.77
Oregon	722	23.02
Pennsylvania	220	0.97
South Carolina	35	3.00
South Dakota	700	6.49
Tennessee	779	19.00
Texas	1,492	58.00
Vermont	188	0.88
Virginia	1,680	19.92
Washington	2,371	59.04
West Virginia	125	1.00
Wisconsin	1,810	47.53
Wyoming	45	0.42
Total	$20,000	505.62

Obligations as of March 31, 1984 on the various types of Service facilities were as follows:

	Available ($000)	Obligations ($000)
National Wildlife Refuges	10,402	7,521
Dam Safety (National Wildlife Refuges)	1,765	1,109
National Fish Hatcheries	6,708	4,950
Research Laboratories	1,125	414
Total	$20,000	$13,994

Outlays as of March 31, 1984 ($000) $7,905

Water Rights on National Wildlife Refuges

Question: You are proposing a reduction of $146,000 to eliminate the Congressional add-on to justify Federal water rights in the western states. How much will this leave in base funding?

Answer: Projects related to water rights, funded at $180,000 in FY 1985, are included in the regular operation and maintenance funds that take care of the on-going programs on refuges as well as special needs that may arise.

Question: What is the status of water rights for refuges?

Answer: The Service is presently engaged in providing and defending its water rights in the 17 contiguous western states. It is involved in adjudication proceedings in 10 of these states. The agency historically acquired water rights with land purchases, and appropriated additional water pursuant to State law when needed. The Service also monitors water use by field station to ensure compliance with State laws and with water rights permits and certificates.

Question: It seems to me that securing water rights for wildlife refuges would be a high priority management initiative, because without water, these refuges won't be productive. Isn't that the case?

Answer: Maintaining the water rights on each refuge is an important management concern due to the need for waterfowl maintenance, waterfowl production, and other migratory bird maintenance goals, since water rights are subject to change by the States or they may be challenged in court by private interests.

Question: Would you provide us a refuge by refuge listing of rights yet to be secured, a schedule and an estimate of costs?

Answer: Since some refuge water rights issues may be raised more than one time, it is difficult to provide a schedule or estimate of costs to secure those rights. Some current examples of typical refuge water rights problems and the costs associated with issues are provided below:

Ruby Lake NWR -

In FY 1984, $5,000 will be spent to gather water quantity information from approximately 163 springs for use in adjudication proceedings. In FY 1985, funding will continue at the $5,000 level to gather additional data to present to the State of Nevada.

Stillwater NWR

In FY 1984, approximately $1,500 will be used to re-establish water measurement stations. In FY 1985, $1,000 will be spent in operation and maintenance of six existing measurement stations.

Turnbull NWR

In FY 1983, $12,000 was expended to purchase water measurement devices. No funds were spent in FY 1984 on water rights issues. $5,000 is programmed to establish water measurement stations in FY 1985.

Malhuer NWR

In FY 1983, $10,000 was spent to purchase water measurement devices. Nothing will be spent in FY 1984. In FY 1985, $5,000 is planned for establishment of water management stations.

Region 1 spent $20,000 in FY 1984 to put water management information into an ADP system. Approximately $30,000 is spent annually to check use against the amount our permits allow.

Reprogramming for 1002 Study

Question: You are also proposing to eliminate $300,000 of the $500,000 that the Committee provided in the FY 84 supplemental to finance the EIS for oil and gas leasing on refuges. I assume that this proposal was developed before the Secretary announced that he was not proceeding with an oil and gas leasing program. Is that right? What do you propose now that we do with that $500,000 in both 1984 and 1985?

Answer: The Continuing Appropriations Act for FY 1984 (P.L. 98-151) prohibited the processing or granting of oil and gas lease applications on refuge lands outside Alaska until the Secretary prepares an EIS analyzing leasing impacts, promulgates revised regulations and holds a public hearing. The FY 84 supplemental budget appropriated $500,000 to the Fish and Wildlife Service to revise regulations and prepare the EIS. The FY 85 budget proposed $200,000 to complete this effort. This proposal was developed before the Secretary announced his decision. On January 31, 1984, the Secretary notified the Congress that the Department has no plans to allow oil and gas leasing activities (other than for purposes of drainage or where there are third party mineral rights) on wildlife refuges outside Alaska. Funds for environmental analysis required prior to processing or granting lease applications pending on acquired refuge lands are now unnecessary. The Department has requested and Congress has recently approved a reprogramming of this $500,000 appropriated in the FY 84 supplemental to support the on-going program on the coastal plain of the Arctic National Wildlife Refuge, Alaska, required by section 1002 of the Alaska National Interest Lands Conservation Act of 1980 (1002 program). The Service has no intention of using the $200,000 proposed for FY 85 to complete the EIS and has proposed alternative uses of the FY 85 funding for OMB review.

Accelerated Refuge Maintenance Management (ARMM)

Question: Could you explain the distribution of your Accelerated Refuge Maintenance Management (ARMM) funding table on pages 110-112. What is the column heading "FY 1984 ARMM Rollover"?

Answer: Base maintenance funds are maintenance funds which are a continuing part of the refuge's annual budget. The "ARMM Rollover Dollars" are ARMM funds being reallocated on a project by project basis in a cyclical fashion. These funds do not become a part of a station's base funding and are reallocated annually according to priorities determined by the regions and the Washington Office. The "Increase" column is comprised of ARMM projects proposed for funding from the ARMM increase in the FY 1985 Justification.

Refuge Operations

Question: One of the anticipated savings from management initiatives is a savings of $499,000 attributed to reducing about 100 positions in the GS-11 through 15 range. As these positions become available, they will be filled with lower graded personnel. How many refuge manager positions does the FWS have that are at the GS-15 level? GS-14 level?

Answer: The Service has no refuge manager positions on refuge field stations at the GS-14 or GS-15 levels. However, there are three GS-14 positions and one GS-15 position in the Washington Office with position titles of refuge manager.

Question: Does the Service anticipate upgrading refuges into the GS-14 or GS-15 area?

Answer: At present, the Service has no plans to upgrade any refuge manager positions on refuge field stations to the GS-14 or GS-15 levels.

Comprehensive Conservation Plans - Alaska Refuges

Question: What is the base funding level for development of comprehensive conservation plans (CCPs) for Alaska's 16 wildlife refuges?

Answer: The base funding level for development of CCPs is $1,679,000 for FY 84 and $1,625,000 for FY 85.

Question: How many units have completed CCPs?

Answer: Although CCPs have been drafted, no plans are final.

Question: When are the others due to be completed?

Answer: Draft plans go through a review process which includes a public review period before they are final. This process takes approximately 6-8 months.

Question: Are they on schedule?

Answer: The latest schedule for completing all 16 CCPs is as follows:

Refuge	Draft Plan Available		Final Plan Completed	
Kenai	March	1984	October	1984
Becharof	April	1984	November	1984
Alaska Peninsula	August	1984	March	1985
Izembek	August	1984	March	1985
Togiak	October	1984	May	1985
Yukon Flats	January	1985	November	1985
Tetlin	March	1985	October	1985
Kodiak	August	1985	April	1986
Koyokuk	October	1985	June	1986
Kanuti	December	1985	August	1986
Selawik	July	1986	March	1987
Nowitna	November	1986	June	1987
Yukon Delta	March	1987	November	1987
Arctic	August	1987	April	1988
Alaska Maritime	October	1987	June	1988
Innoko	December	1987	July	1988

Question: Don't they have to be completed prior to other actions, such as oil and gas leasing?

Answer: The CCPs will be completed prior to any oil and gas leasing of refuge lands outside the Coastal Plain of the Arctic National Wildlife Refuge. Section 304(b) of the Alaska National Interest Lands Conservation Act of 1980 (ANILCA), prohibits leasing on Alaska refuges until it has been determined that leasing is compatible with the purposes for which a refuge was established. Since one of the purposes of the CCPs under ANILCA is to specify compatible uses of refuge lands, the Service is using the planning process to determine where oil and gas leasing may be compatible on refuges.

Once a comprehensive conservation plan is officially adopted for a refuge, any areas where oil and gas leasing may be compatible with refuge purposes may be made available for leasing consideration under the Departmental oil and gas leasing regulations. Specific lease applications will be subject to site-specific stipulations developed by the Service and made a part of the lease to ensure that permitted activities are compatible.

Alaska North Slope and Non-North Slope Funding

Question: Is the oil and gas exploratory activity for the North Slope adequately funded?

Answer: Because the Department's request to reprogram $500,000 to the 1002 program has been approved, North Slope oil and gas exploratory activity required by section 1002 of ANILCA is adequately funded for FY 84 (including USGS/BLM participation). The $500,000 was originally provided to the Fish and Wildlife Service in the FY 84 Supplemental Appropriation to prepare an environmental impact statement on effects of oil and gas leasing on refuge lands outside Alaska.

Question: How about for the non-North Slope area?

Answer: Sufficient base funding for FY 84 and 85 was requested.

Question: Please provide base funding levels for these studies plus a narrative statement indicating how ANICLA Section 1002 studies will be done in time to meet the statutory deadlines.

Answer: Base funding for the section 1002 program for FY 84 is $1,731,000 (+500,000). A request for $1,181,000 in base funds has been made for FY 85 to do the planned work. Base funding for activities required by section 1008 is $131,000 for FY 84 and $172,000 for FY 85.

The Service is lead Interior bureau for 1002 activities on Arctic National Wildlife Refuge. A memorandum of understanding among the Service, USGS and BLM outlines the responsibilities of each bureau in administering the 1002 program, conducting studies, and preparing the 1002(h) report to Congress. Continuing baseline fish and wildlife studies are being conducted by the Service. Meetings with representatives of the three bureaus have been held to identify specific tasks and responsibilities and to develop a detailed schedule and format for the report, due to Congress September 1986. It is anticipated that the report will be completed on schedule.

Question: Please provide the same narrative for ANILCA Section 1008 studies.

Answer: Section 1008 of ANILCA requires establishment of an oil and gas leasing program on Federal lands in Alaska. For non-North Slope refuge areas, leasing shall only be undertaken on those refuge lands where the determination has been made that exploration for and development of oil or gas would not be incompatible with the purposes for which such refuges were established. Compatibility of oil and gas leasing on non-North Slope Alaska refuges is currently being broadly determined through the comprehensive conservation planning process, established by section 304(g) of ANILCA Roles and responsibilities for implementing the procedural requirements of section 1008 are the subject of discussion between the Service and BLM. A memorandum of understanding between the two bureaus is being developed to outline procedures necessary to carry out the requirements of section 1008, including permit issuance and consultation with other federal agencies and with Alaska state and local agencies. The study requirements of this section (1008(b)(1)(A)) do not have specified completion dates.

Alaska Construction Budget

Question: Please update the cost estimates for the FWS construction program in Alaska, including timing in terms of fund obligation and costs spread by cost element (land; design; construction; first year operations cost; etc.).

Answer: A prioritized list of proposed future Alaska construction projects follows. This list varies somewhat in content and order from the information provided to the Senate last year, reflecting our annual reexamination of priorities. We are also providing FY 1984 construction project figures for your information. Cost elements and timing of fund obligation for each project are shown.

FY 1984 Alaska Construction Projects
(Funds appropriated in P.L. 98-146)

REFUGE	PROJECT	COSTS ($000)				
		Land Acq.	Eng'r. Des.	Constr.	Total	1st Yr. Ops.*
Koyukuk / Nowitna	Residences, 6 family units, at Galena	16	89	1,395	1,500	74
Yukon Delta	Headquarters complex at Bethel					
	a. 15 acre site	60	0	0	60	0
	b. Office, for 10 full-time permanent and 15 temporary employees	0	120	1,880	2,000	100
	c. Shop/storage building, approx. 3,200 sq. ft.	0	25	400	425	21
	d. Bunkhouse for 15 people	0	24	376	400	20
	e. Oil/paint storage building	0	2	38	40	2
	f. Rehabilitation of three (3) residences	0	20	316	336	17
	g. Office/shop	0	24	371	395	20
	h. Roadway	0	4	55	59	3
	Project total	(60)	(219)	(3,436)	(3,715)	(183)
Tetlin	Four (4) residences, at Tok	60	57	893	1,010	47
Alaska Maritime	Vessel design and cost effectiveness study	0	0	0	100	0

* Year following completion of construction.

Out Year Alaska Construction Projects

REFUGE	PROJECT	ESTIM. COSTS ($000) IN FY 1985 DOLLARS					MONTHS TO OBLIGATE FUNDS¶
		Land Acq.	Eng'r. Des.	Constr.	Total	1st Yr. Ops.*	
Alaska Maritime	Vessel[†]	0	400	4,100	4,500	500	10
Arctic	Bunkhouse (2,400 sq. ft.) for 20 people, including small office space and storage areas at Kaktovik	30	40	632	702	38	16
Innoko	Residence, at McGrath	8	22	337	367	17	15
Alaska Peninsula	Four (4) residences, at King Salmon	25	65	1,017	1,107	51	13
Yukon Delta	a. Six (6) residences, at Bethel	240	102	1,602	1,944	80	17
	b. Aircraft hangar	0	10	163	173	9	8
	Project total	(240)	(112)	(1,765)	(2,117)	(89)	(17)
Selawik	Bunkhouse (1,600 sq. ft.), for 8 people, with equipment storage areas, at Selawik	40	24	376	440	18	18

* Year following completion of construction.

† A study to be completed by June 1, 1984, may dictate leasing rather than construction.

¶ Due to manpower limitations, it would take more time to obligate funds for lower priority projects.

		ESTIM. COSTS ($000) IN FY 1985 DOLLARS					
REFUGE	PROJECT	Land Acq.	Eng'r. Des.	Constr.	Total	1st Yr. Ops.*	MONTHS TO OBLIGATE FUNDS¶
Kanuti	Bunkhouse (2,000 sq. ft.) for 6 people, with small office and storage, at Bettles, Alaska (Possible joint venture with National Park Service)	50	42	663	755	33	18
Innoko	Bunkhouse (1,800 sq. ft.), for 8 people, at McGrath	8	26	405	439	20	20
Togiak	Bunkhouse (2,000 sq. ft.), for 10 people, at Dillingham	8	29	454	491	23	22
Arctic	Bunkhouse (2,000 sq. ft.), for 8 people, at Arctic Village	10	28	444	482	22	22
Selawik	Four (4) residences, at Kotzebue	40	77	1,213	1,330	61	24
Selawik & Alaska Maritime	Subheadquarters, Kotzebue						
	a. Office/storage building (2,400 sq. ft.), for 6 FTP and 6 temporary employees (Possibly a combined U.S. Fish & Wildlife Service/National Park Service facility. Costs are for U.S. Fish & Wildlife portion only.)	54	77	1,211	1,342	60	28

* Year following completion of construction.

¶ Due to manpower limitations, it would take more time to obligate funds for lower priority projects.

REFUGE	PROJECT	ESTIM. COSTS ($000) IN FY 1985 DOLLARS Land Acq.	Eng'r. Des.	Constr.	Total	1st Yr. Ops.*	MONTHS TO OBLIGATE FUNDS¶
Selawik & Alaska Maritime (con't.)	b. Bunkhouse (2,400 sq. ft.) for 10 people	0	23	352	375	18	20
	c. Oil/paint storage building (400 sq. ft.)	0	3	40	43	2	16
	Project total	(54)	(103)	(1,603)	(1,760)	(80)	(28)
Kodiak	Karluk Lake Facilities						
	a. Bunkhouse (2,000 sq. ft.), for 8 people	0	26	404	430	21	20
	b. Float plane dock and ramp	0	5	70	75	4	14
	c. Storage building (1,200 sq. ft.)	0	11	177	188	9	20
	d. Boat house and dock	0	6	101	107	5	14
	e. Aircraft refueling station	0	2	30	32	2	14
	Project total	(0)	(50)	(782)	(832)	(41)	(20)
Yukon Flats	Bunkhouse (2,000 sq. ft.), storage, for 8 people, at Circle	10	17	306	333	16	26

* Year following completion of construction.

¶ Due to manpower limitations, it would take more time to obligate funds for lower priority projects.

REFUGE	PROJECT	ESTIM. COSTS ($000) IN FY 1985 DOLLARS					MONTHS TO OBLIGATE FUNDS¶
		Land Acq.	Eng'r. Des.	Constr.	Total	1st Yr. Ops.*	
Yukon Flats	Storage building (800 sq. ft.) for boats and snow machines, at Ft. Yukon	0	10	151	161	7	20
Various Locations	Sixteen patrol cabins at miscellaneous locations on various refuges	0	48	757	805	38	20
Kenai	Aircraft hangar (3,600 sq. ft.), at Soldotna Airport	0	9	152	161	7	20

* Year following completion of construction.

¶ Due to manpower limitations, it would take more time to obligate funds for lower priority projects.

Law Enforcement Agent Funding

Question: You have proposed two increases totaling $347,000 to be used to support the field agents at a higher average rate. This would permit equipment replacement as needed, travel and per diem as needed, etc. Does the Service's proposal for 1985 takes into account the additional costs to be incurred as the 20 trainees in 1984 are moved into field positions in FY 1985?

Answer: The Service's FY 1985 budget request takes into account the added costs of transferring agent trainees hired in FY 1984 into field agent positions during FY 1985.

Question: Were any reductions applied to the FY 1984 Congressional add-ons provided by the Committee?

Answer: No reductions were applied to the FY 1984 Congressional Funding level.

Agent Training

Question: How much will be spent on training at the Federal Law Enforcement Training Center (FLETC) at Glynco, GA?

Answer: During FY 1985, approximately $250,000 will be spent on law enforcement training by the Service at FLETC, as follows:

$125,000	agent in-service training
15,000	new agent training
25,000	wildlife inspector in-service training
5,000	state conservation officers law enforcement training
80,000	refuge officer law enforcement training
$250,000	Total

Question: Shouldn't all of this be funded through the Treasury Department appropriations bill, since Treasury administers FLETC?

Answer: It is our understanding that the Treasury Department's budget for FLETC funding is limited, based on the premise that Treasury operates the training facility, but that each agency should pay for the training it receives. Prior to FY 1980, Treasury funded all training at FLETC. The Fish and Wildlife Service paid for travel expenses and was subsequently reimbursed by Treasury. The Service is now reimbursed by Treasury for travel to and from the training center, amounting to 40-60% of the expenses incurred for new agent training. Virtually all of the costs incurred for in-service and other forms of training are paid from Service funds.

Migratory Bird Increases

Question: You have several increases proposed that would improve the management or research on a number of species, including:

(p. 128) Black Duck Management	+$243,000
(p. 129) Arctic Nesting Geese Management	+$170,000

(p. 137) Arctic Nesting Geese Research	+$206,000
(p. 138) Black Duck Research	+$250,000

How where these initiatives selected?

Answer: These initiatives were selected through the Service resource planning system.

Question: Are these the most critical resources or were they selected because of their international implications?

Answer: These species were selected because they are critical migratory bird species.

Convention on Nature Protection

Question: You've also proposed a reduction of $150,000 relating to the Convention on Nature Protection and Wildlife Preservation in the Western Hemisphere. This reduction will leave a base funding level of $240,000 for Convention activities. What activities will be reduced if the reduction is agreed to (p. 130)?

Answer: The proposed reduction would affect projects dealing with:

Training ($65,000) - Six workshops or seminars covering such topics as wildlife refuge management, conservation of crocodilians, wildland planning and environmental interpretation; initiating of an international graduate program in wildlife management to be established in Costa Rica (a cooperative project with other organizations); establishment of a Latin American training center for refuge managers.

Migratory Birds ($40,000) - Four projects covering issues such as migratory bird research and management, and an inventory of wetlands and their waterfowl inhabitants.

Endangered Species ($13,000) - Giant Grebe (Guatemala) *Amazona* parrots (Lesser Antilles).

Publications ($8,000) - Publication and distribution of technical information on wildlife studies of Central America.

Plants ($7,000) - Support of a project to study plant ecosystems in Latin America and the Caribbean.

Bilateral Projects ($17,000) - Four projects directly involving personnel of Convention party countries (including Mexico, Paraguay, Colombia), and on planning conservation projects for other flora and fauna.

We have proposed a reduction of $150,000 relating to the Convention on Nature Protection Protection Conservation in the Western Hemisphere because the base funding level of $240,000 is adequate to continue activities which will foster close cooperation and communication with other party nations. Among these activities are programs to identify birds which migrate between the United States and contracting parties including their habitats and needed protective measures; to identify protective measures for wild plants addressed by the Convention; and to conduct cooperative training workshops. These activities will be continued, and the Service has no additional priorities for funding that would necessitate any additional funds in this area.

Payment of Rewards

Question: How will the payment of rewards fund be replenished?

Answer: The Law Enforcement Payment of Rewards Account was established in accordance with provisions of the Lacey Act Amendments of 1981 (16 USC 3375(d)), which provide for the Service's payment of rewards from sums received from penalties, fines, or proceeds of forfeited property sales.

Question: What is the balance of this account (funded with proceeds of penalties and forfeitures collected)?

Answer: The current (3/22/84) balance of the account is $36,600.

Question: Have rewards been made in prior years? Please provide a 10-year funding history of rewards.

Answer: Payment of rewards under the Lacey Act authority, as amended, was initiated in FY 1984. The reward payments total so far in FY 1984 is $2,500.

Question: Is this the first year these rewards have been separated out as a subactivity?

Answer: FY 1985 is the first year the Payment of Awards Account has been separated out as a subactivity because, prior to FY 1984, the account had not been established.

Alaska Subsistence Grant Money

Question: Does any of the Alaska Subsistence Grant money go to pay any salary costs of any Federal employee? If so, please provide the details.

Answer: The Secretary of the Interior is authorized, by section 805 of the Alaska National Interest Lands Conservation Act (ANILCA), to reimburse the State of Alaska for costs relating to the establishment and operation of the State regional advisory councils and fish and game committees. Federal Alaska Subsistence Grant money to the State provides in part for the salaries of some state employees who are on the advisory council, but none of these grant monies are used to pay Federal salary costs or any other Federal costs.

Fish Hatchery Funding

Question: Thank you for proposing no further closure of fish hatcheries. This will be the first year in several that this hasn't been a major problem for me.

You have proposed an increase of $480,000 (p. 159) to supplement base operational funding for a number of fish hatcheries. This supplements the $955,000 transferred in FY 1984 from maintenance to operations. Were these maintenance funds ever restored to the base program?

Answer: This was a permanent shift of the funds from maintenance to operations and these fund will continue to be used to meet basic operations costs in the future. Following this action, the Service has a base of $3,253,000 for cyclical maintenance activities at hatcheries. The FY 1985 budget request proposes an increase of $195,000 for hatchery maintenance that will partially offset this shift.

Question: Will the $480,000 increase eliminate all operational funding shortages being experienced by hatcheries?

Answer: Although this increase will not provide optimum funding for hatchery operations, it will meet the most essential funding needs in FY 1985.

Question: What types of shortfalls will be funded with this increase? You have provided a list by hatchery, but have not said what the increases will be used for. The object class breakdown on page 161 shows that most of the increase ($244,200) will go for personnel, while some will go for supplies and materials. Could you provide a complete list for the record?

Answer: Over the last three years, the national fish hatchery system has been under intensive scrutiny by the Administration and Congress in terms of which hatcheries are appropriately a Federal responsibility, and a number have been transferred to the States or other Federal agencies. Many hatcheries were held at essentially static funding and personnel levels, with a number of personnel positions remaining vacant, until this review process was completed. Approximately $244,000 of the requested increase will be used to fund 16 FTEs needed to restore retained hatcheries to a more adequate staffing level. Approximately $33,000 will be used to pay personnel benefits and operational travel costs associated with these additional personnel. The balance of the requested increase, approximately $203,000, will be used to cover inflationary cost increases over the last 3-4 years in operational requirements such as fish food, electricity, vehicle and heating fuel, telephone service, minor equipment, and routine supplies and materials needed for day-to-day operation.

Drug Registration Research

Question: Your fish research program has a drug registration component at LaCrosse, Wisconsin. You are proposing to reduce funding to LaCrosse by $300,000 (p. 192). However, this research relates to the registration of drugs and chemicals used for fish culture or fish control projects. Why isn't that research needed?

Answer: The specific studies associated with this funding were studies conducted at the Warm Springs, Georgia, field station prior to closure of that station in FY 1983. These studies are not immediately essential to on-going Service fishery activities and can be deferred without serious impact on Service programs. If the need for these studies becomescritical in the future, they can be reinstituted as resources become available upon the completion of higher-priority research activities.

Question: How much does this leave in the base program for drug registration work?

Answer: After the proposed reduction, approximately $726,000 would remain in the Service base for drug registration research.

Question: How much does this leave in the base for LaCrosse?

Answer: The total Fishery Resources Program funds remaining at the LaCrosse Laboratory would be approximately $846,000.

Endangered Species Reintroduction

Question: Provide details on reintroduction of any endangered species anywhere.

Answer: The Service has undertaken reintroduction efforts for approximately 10 percent of the 304 currently-listed domestic species. As current Service policy does not permit reintroduction of listed species outside of their historic range, efforts are directed toward reintroduction into formerly occupied habitat only. Species reintroductions have included the Gila trout, Apache trout, greenback cutthroat trout, Lahontan cutthroat trout, Paiute cutthroat trout, Pahrump killifish, Gila topminnow, Moapa dace, Kendall Warm Springs dace, Eastern indigo snake, masked bobwhite, Aleutian Canada goose, Hawaiian duck, and nene (Hawaiian goose). States, private organizations, and in some cases, other Federal agencies have cooperated in reintroduction efforts, and several States have initiated reintroductions on their own. The following are additional specific examples of Service reintroductions:

-- Snail darter (Percina tanasi): When it was listed as Endangered in November 1975, the snail darter was known only in the Upper Tennessee River (in the segments of Watts Bar Reservoir), and in the lower reaches of the Little Tennessee River, Tennessee. Since all of the designated critical habitat of the species would be destroyed by closure of Tellico Dam on the Little Tennessee River, the first emphasis of the snail darter recovery effort was to conduct transplants to suitable habitat. From June 1975 through February 1976, the Tennessee Valley Authority

(TVA) transplanted a total of 710 darters to the Hiwassee River in southeastern Tennessee. Reproduction in the Hiwassee River has been documented for seven years subsequent to these transplants. The population's range has expanded from an initial 2 km to over 11 km. In September 1980, the total population size was estimated at about 3,000 fish. From these observations, it would appear that the species has become established in this river.

In October 1975, 61 snail darters were transplanted into the Nolichucky River in eastern Tennessee. However, following the discovery of another rare darter species there, translocation efforts were discontinued for fear of jeopardizing this species (sharpshead darter). No snail darters have been observed in the Nolichucky River in recent surveys. In late 1978 through 1979, 533 snail darters were released into the Holston River in northeastern Tennessee. Initial monitoring resulted in low estimates and the present status of the species in this river is unknown. No signs of reproductions were ever observed. The last survey was in 1980. The Elk River in southern Tennessee was stocked with 425 snail darters in July 1980. Most of these fish were young-of-the-year fish, and their fate has not been determined yet. Since 1981, snail darters have been found in several additional rivers in eastern Tennessee, and in February 1984, it was proposed that the species be reclassified to Threatened. No additional translocations are anticipated.

-- Bald eagle (Haliaeetus leucocephalus): The bald eagle is endangered in 43 of the coterminous United States; threatened in Oregon, Wisconsin, Minnesota, Washington, and Michigan; and unlisted in Alaska where they continue to occur in large numbers. In 1983, 70 bald eagle were released by the Service in areas of the country where populations are greatly depleted or no longer occur. The majority of eagles released each year in reintroduction programs are obtained from wild populations with relatively large numbers of breeding pairs. In addition, the Service utilizes captive-bred bald eagles for further reintroduction efforts. Since 1976, the Service's Patuxent Wildlife Research Center has produced 52 eagles for release in different eagle recovery projects around the country. Several States and private organizations are also involved in bald eagle captive breeding and release activities.

-- American peregrine falcon (Falco peregrinus anatum): The endangered American peregrine falcon historically bred from Mexico north to the treeline in Alaska and Canada. East of the Mississippi River, the falcon was eliminated as a breeding bird by the late 1960s. In the Rocky Mountain Southwest region, relict breeding populations remain in Texas, New Mexico, Arizona, Colorado, and Utah. Fifty breeding pairs occur in California, one pair remains in Oregon, Washington has three pairs, and Alaska has 97 known pairs. Captive propagation and release are major components of the recovery strategy for peregrines in the Eastern, Rocky Mountain Southwest, and Pacific Peregrine Falcon Recovery Plans.

In the East, 511 peregrine falcons have been bred for release since 1974. As a result, 16 known pairs have been reestablished, nine of which attempted to breed in 1983. Eight pairs were successful and fledged a total of 23 young. During the 1983 breeding season, 79 captive-reared peregrines were released at 14 different locations in the East.

In 1983, 74 falcons were released in five States of the Rocky Mountain Southwest: 27 in Colorado, 8 in Utah, 8 in Montana, 12 in Idaho, and 19 in Wyoming. Another ten captive-produced peregrines have been seen consistently at Rocky Mountain nest locations and hack sites, with three of these birds responsible for producing young. Also in 1983, 70 captive-reared falcons were released in California, Oregon, and Washington, including 41 from eggs taken from wild nests. Thirty young were hacked at 10 hack sites, while 34 young were released by fostering, enabling production at 21 different wild peregrine nests to be increased. Six young were released by cross-fostering (a technique involving the placement of eggs or chicks into the nest of a closely-related species) at three prairie falcon nest sites.

-- Birdwing pearly mussel (Conradilla caelata): Historically, the birdwing pearly mussel exhibited a rather wide distribution in the Tennessee River and its major tributary streams. Currently, it is known only from a large population in the Duck River, Tennessee, and in small numbers in the Elk, Clinch, and Powell Rivers, Tennessee and Virginia. In 1973, the TVA started construction on Columbia Dam in the Duck River. When completed, this project would inundate and destroy the largest remaining population of this birdwing pearly mussel (estimated at 10,000 - 20,000 individuals). As a result of consultations under the Endangered Species Act, TVA undertook a long-term conservation plan in 1979, that included eventual translocations of individuals of this species to selected unoccupied sites. The purpose of these translocations was to establish new viable populations. If successful, these translocations, along with habitat and water quality improvements throughout the species' current range, should lead to a non-jeopardy situation for the species, should the dam be completed. In the fall of 1982, 1,000 mussels were translocated to each of four sites in Tennessee (the Elk, Duck, Nolichucky, and North Fork of Holston Rivers).

-- Delmarva fox squirrel (Sciurus niger cinereus): The historical distribution of this species included southeastern Pennsylvania, south-central New Jersey, and the Delmarva Peninsula of Delaware, Maryland, and Virginia. By 1973, the species was restricted to four Eastern Shore counties of Maryland, and one location in Accomack County, Virginia. Translocations have been conducted in Maryland by the Department of Natural Resources since 1979 to six sites on State and private property. Nine to 16 individuals were released at each site, in some cases over a two-year period. Radio-telemetry data and subsequent live trapping indicate that success is good to moderate at five of the six sites. Results at one site appear to be poor, but monitoring will continue. Success is measured by a combination of survival and reproduction.

In 1982, the Virginia Game Commission translocated squirrels from Chincoteague National Wildlife Refuge (NWR) to The Nature Conservancy's site in Northampton County, Virginia. It is still too early to fully evaluate the success of this effort. There is also a proposal to translocate squirrels in 1984 from one of the Maryland populations to the Assawoman Wildlife Management Area, Delaware. This translocated population is to be designated an experimental population under Section 10(j) of the Endangered Species Act. This project must wait for final publication of the Experimental Populations Regulations, expected May 1984.

-- Whooping crane (Grus americana): The reintroduction that has probably received the most attention on a national and international scale is the establishment of a second whooping crane flock. The concept of establishing a second flock to protect the species from possible catastrophic events or disease outbreaks has attracted biologists for some time. It was not until 1975 that the cross-fostering of whooping cranes with sandhill cranes was actually attempted. This technique consists of having sandhill cranes incubate and hatch whooping crane eggs and raise the young. The whooping cranes then migrate with the sandhill cranes, thus establishing a second migratory flock of whooping cranes.

The cross-fostering technique has proven to be viable and has been used each year since 1975. There are currently 26 whooping cranes in this second flock, which winters in New Mexico (in the vicinity of Bosque del Apache NWR), and summers in the area around Grays Lake NWR, Idaho. This flock has not yet produced young, although the Service is optimistic that this will occur in the next several years. One of the reasons that breeding has not yet occurred is that whooping cranes do not sexually mature until they are at least five years old. Crane survival from the earliest releases was low, due mainly to excessive mortality of young prior to fledging. This high mortality was attributed to drought which caused low water conditions (allowing coyotes access to nesting areas) and poor food production. Sandhill cranes suffer in similar fashion during drought. The result has been an insufficient number of adult birds (of the proper sexes) to begin a breeding population.

Endangered Species Listing

Question: You are proposing (p. 193) an increase in Endangered Species activities totaling $3,295,000 over 1984 appropriations to date (+15%). Listing activities will increase $400,000 over the 1985 base program (+15%) and will focus primarily on contracted work to determine whether or not candidate species should be listed. How many candidate species have been reviewed each year for the past 10 years?

Answer: Because the assessment of candidate species is a continual process, it is not possible to break it down as species-per-year figures. However, over the ten years since the passage of the Endangered Species Act of 1973, 5,321 native species have come under review by the Service for possible listing as Endangered or Threatened.

Question: How many of those have been listed versus not listed?

Answer: To date, 785 species have been listed under the Endangered Species Act, but 402 species were listed as Endangered or Threatened prior to enactment of the Act in 1973. Since that time, however, species listings have taken place as follows:

Number of	Calendar Year										
Spp. Listed	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	TOTAL
Native	3	7	13	20	36	37	15	4	10	6	151
Foreign	0	2	176	0	0	31	6	0	0	17	232
Total	3	9	189	20	36	68	21	4	10	23	383

Over the same time, approximately 1,500 species have been dropped from further consideration for listing. The Service now recognizes over 1,000 species for which, on the basis of information now in hand, it expects to propose listing, and about 2,500 species for which additional information is needed before decisions can be made.

The figures above regarding species under review for listing are extracted from the Service's comprehensive notices of review. These are intended to identify those native species that the Service is reviewing for eventual listing, as well as species for which a review has indicated that listing is not appropriate (species "dropped"). Three such notices are planned, with periodic updates. One for plants was published on December 15, 1980 (45 FR 82480), and supplemented on November 28, 1983 (48 FR 53640); the Service recognized 2,588 plants as candidates and dropped 1,319 after review. The notice for vertebrate species was published on December 30, 1982 (47 FR 58454); it identified 363 species as candidates and dropped 34. A similar notice for invertebrate species is planned for publication within the next few months; it is expected to identify nearly 900 species as candidates and drop almost 150. The requisite information upon which the Service bases its assessment of species status may come from a variety of sources, but most frequently is obtained through contracted status surveys. The additional funds requested in FY 1985 are intended principally to contract for such surveys on species for which a need for additional information has been identified in order to determine whether they qualify for listing under the Act.

Recovery Actions

Question: Another increase of $319,000 (+7%) is proposed to accelerate recovery actions. The bulk of these recovery actions would occur on non-refuge lands (p. 200). Why shouldn't the Service emphasize the recovery of species occurring on refuge lands first?

Answer: The National Wildlife Refuge System comprises less than four percent of the total land mass of the United States, and less than one percent if Alaska is excluded from consideration. Less than 25 percent of all listed species in the U.S. occur on refuge lands, and very few of these species are totally dependent upon refuges for their survival and protection. The Service believes that endangered and threatened species occurring on refuges will benefit from the good land stewardship generally practiced on all Service lands, since endangered species are given priority management attention on all Service lands on which they occur. This allows the Service to focus its recovery resources for listed species on non-Service lands. These non-Service lands are believed to be more vulnerable because the Service has no direct influence on how these habitats are managed.

Question: How many recovery plans have been prepared to date?

Answer: There are currently 113 approved recovery plans, covering 133 listed native species. A total of 174 plans for 187 listed native species are scheduled to be approved by the end of FY 1984. Current Service planning strategies call for 90 percent of the 298 species listed as of the end of FY 1983 to have recovery plans developed by the end of FY 1985. This will require the completion of approximately 155 additional plans for 165 listed native species.

Question: How many recovery plans is the Service currently funding?

Answer: The large number of tasks in each recovery plan and the fact that other agencies besides the Service are responsible for implementing tasks, preclude the Service from totally funding all tasks in any recovery plan. In FY 1984, the Service funded tasks in 51 of the 113 currently-approved recovery plans, while all approved plans have at least one task being implemented by one of the involved management agencies. The FY 1985 budget request will provide resources to complete approved recovery plans for an additional 54 listed species, and implerecovery plan actions for another 60 listed species.

Peregrine Falcon Recovery

Question: One reduction is proposed for recovery plans in FY 1985. The peregrine falcon recovery program contract with Cornell University/ Peregrine Fund would be reduced from $368,000 to $152,000, primarily on the basis that there have been 900 young falcons released since the propagation program began. However, isn't it true that work on peregrine falcon recovery in the Rocky Mountains, and on the West Coast particularly, need further support at this time?

Answer: The basis for the Service's request for reduced funds for The Peregrine Fund is essentially two-fold. First, previous appropriations provided funding for The Peregrine Fund to establish its facilities and conduct expanded experimentation and research to develop techniques for captive propagation of peregrine falcons. The Service believes that The Peregrine Fund has successfully accomplished these objectives. Peregrine propagation at Cornell, as well as the propagation at the western facilities in Ft. Collins, Colorado (which will be transferred to Boise, Idaho), and at Santa Cruz, California, has advanced from an experimental stage to a production stage. Peregrine falcon breeding at these facilities is now routine, and production normally meets or exceeds the demand for birds for release projects. Second, The Peregrine Fund has continued to broaden its funding base and the list of public, private, and corporate contributors has increased. As a result, continued high levels of Service support have become less essential to the Fund's operations. For these reasons, the Service feels that funding support for peregrine recovery at the requested FY 1985 level is satisfactory, particularly since $46,000 of this request is earmarked specifically for falcon recovery activities at the Ft. Collins/Boise facilities.

The recovery of the peregrine falcon in the Rocky Mountains and western U.S. is a paradox. Peregrine recovery is satisfactory in Arizona and New Mexico, where large numbers of breeding pairs can be found. Most of the other States in the Rocky Mountain region have no breeding pairs. Only Utah and Colorado have relict numbers of breeding peregrine falcons. Recent evidence from egg shell fragments taken from nest sites in Utah suggest that DDT may still be causing reproductive problems in this population.

West of the Rocky Mountains, California has as many as 50 territories occupied by peregrine falcons (either a pair or a single adult bird), while Oregon has only one known breeding pair, and Washington has approximately three breeding pairs. Although California has a relatively large population of peregrines, biologists find it necessary to remove the eggs from approximately 25 percent of the nests, artificially incubate them, and return the hatched chicks to the nest. This level of effort is necessary because of the high incidence of thin-shelled eggs in the breeding population, a residual effect of the past use of DDT in California. Despite the continued need to "manipulate" breeding peregrine falcons in California, and release captive-bred falcons to bolster depressed populations in the Rocky Mountain region, the Service believes that The Peregrine Fund will have ample resources and expertise to accomplish these activities with the continued influx of non-Service funds, and the level of Service support requested for FY 1985.

Question: What does the recovery plan call for in terms of breeding pairs to be reestablished? You probably know that The Peregrine Fund, Inc., is relocating its Rocky Mountain facility to Boise, so I have more than just a passing interest in the peregrine falcon recovery effort.

Answer: The Rocky Mountain-Southwest Peregrine Falcon Recovery Plan covers recovery of the species in Arizona, Colorado, Idaho, Kansas, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah, and Wyoming. The prime objective of the plan is to increase peregrine populations in the Rocky Mountain and Southwest regions to a minimum of 100 effective breeding pairs by 1995. Currently, it is estimated that there are 60-70 such breeding pairs in these States. An effective breeding pair is defined as a male and a female adult peregrine falcon that successfully produce and fledge offspring in the wild.

Hawaiian Forest Birds

Question: Regarding the Hawaiian forest birds, what will be done in 1985 with the increase of $53,000? Please provide a copy of the recovery plan for the Committee files. Also, provide for the record a capability statement and a proposal for using endangered species research and development funding and authority to undertake management of the Keauhou-Kilauea Forest lands and the Upper Hakalau Forest lands.

Answer: The $53,000 increase in the FY 1985 budget for Hawaiian forest birds will be used to develop and implement management plans for the Islands of Hawaii, Kauai, Maui, and Molokai. Each plan would be developed in cooperation with the State and private landowners. Key management issues include avian disease, competition with exotics, elimination and/or degradation of habitat, and predation. Many of these species are experiencing severe threats and prompt action is required.

The Service has identified several areas on the Island of Hawaii for habitat protection, including the Keauhou-Kilauea and Upper Hakalau Forests. These areas are important for four endangered honeycreepers, the nene (Hawaiian goose), the Hawaiian crow, and one plant, the Hawaiian vetch. Protection of these high priority lands is receiving priority attention by the Service, primarily through implementation of land management plans. Any future course of action will be contingent upon the results of implementing the land management plans, whose development is proposed in the FY 1985 budget request. The Hawaiian Forest Bird Recovery Plan is a lengthy document, and has been provided separately to the Committee. A capability statement on management of the Keauhou-Kilauea and Upper Hakalau Forest lands follows:

Agency/Bureau: U. S. Fish and Wildlife Service
Fiscal Year: 1985
Appropriation: Resource Management
Activity: Endangered Species, Recovery
Proposed Amendment: $50,000 to manage Hawaiian Forests

Current Program: The Service is conducting an extensive research effort in the Hawaiian Islands, concentrated on determining the ecological parameters of the Hawaiian forest ecosystem. Currently, $556,500 is utilized for ongoing research projects. These research activities include a survey of the current status of endangered and threatened forest species, determination of factors restricting their distribution and abundance, determination of the affects of exotics on native species, and development of methods used for their control.

The forest ecosystem is now limited to the higher elevations of the major islands in the Hawaiian system. Cutting of the forest for lumber products, development of cattle pasture, and the spread of people has restricted viable forest habitat to the least accessible areas of the Hawaiian landscape. Consequently, endangered and threatened native species have become concentrated in the remnant forests on the slopes of mountains that have been, up to now, unaffected by direct development pressures. However, an indirect disturbance to the forest ecosystem has been felt. The introduction of exotic species, the use of pesticides, and the occurrence of avian malaria has adversely impacted the viability of the forest habitat and its inhabitants. Native bird species have continually declined.

Amount Budgeted:

FY 1984	$556,500, Resource Management ($556,500 Research)
FY 1985	$609,500, Resource Management ($556,500 Research and $53,000 Recovery)

Feasibility: If the modification of the forest habitat continues, the native forest species will further decline. An effort must be made to secure the cooperation of private landowners for the protection of remaining habitat. In addition, private landowners must be encouraged to actively manage those remnant forest areas to encourage utilization of the habitat by native species. Simultaneously, the ongoing research effort will continue to concentrate on developing control of exotics, and determining impacts and developing controls for the spread of avian malaria.

In addition, the Service believes that the most important action is the protection of critical areas of existing habitat. Two such areas are the Keauhou-Kileuea and Upper Hakalau Forests. These areas are critical to the survival of the Hawaiian akepa, Hawaiian honeycreeper, Akiapolaau, 'O'u, and Alala. Protection of these and other high priority areas is receiving priority attention by the Service, and an additional $53,000 for Recovery is requested in the FY 1985 budget request for development of land management plans to protect these habitats. These funds will support Service efforts to encourage the cooperation of private landowners for the management and enhancement of remnant parcels of forest lands. This management effort will encourage the long-term survival of forest species. Through cooperation with landowners, the Service plans to create islands of forest habitat among the pastures presently managed for cattle, where land will be managed for forest and pasture, and trees will be planted in mixed stands to encourage maximum diversity. The Service will need time, after these management plans are developed, to monitor their implementation and results. Thus, the $53,000 requested in FY 1985 would be used in the following year for active management of these forest areas, and the Service is not requesting any additional funds now for this purpose.

Capability: If an additional $50,000 were provided, the Service could accelerate its management activities of Hawaiian forest lands, particularly the approximately 23,000 acres located in the Keauhou-Kileuea and Upper Hakalau Forests. These are the highest priority sites containing forest ecosystem habitat. In addition to the species described above, these two sites contain 70 percent of the nesting habitat for the nene (Hawaiian goose) on the Island of Hawaii, and the entire population of the endangered Hawaiian vetch. Also, 90 percent of the Alala population occurs within these sites. Protection and management of these sites is critical to halt the decline of these species. If these proposed land management actions are not adequate to protect the species inhabiting these forests, the Service would then consider acquisition of the forest tracts. For any such acquisition (not contemplated by the Service in FY 1985), a Land Protection Plan would have to be developed, and as NEPA compliance is required, the Service would have to prepare an Environmental Assessment.

Outlay effect: FY 1985 $50,000

Proposed by: Senate Appropriations Committee

Hunting on the Bosque del Apache National Wildlife Refuge

Question: We are hearing a lot about whooping crane related problems caused by the hunting of snow geese on the Bosque del Apache National Wildlife Refuge (NWR) in New Mexico. The complaints we are receiving indicate that one whooping crane is dead and the entire experimental flock of whoopers is in serious jeopardy due to the hunt. What are your plans for a hunt in 1984 at Bosque del Apache NWR?

Answer: The decision whether to have a goose hunt at the Bosque del Apache NWR in 1984 is pending a recommendation of an ad hoc committee which is studying the situation. The committee is comprised of individuals from the Fish and Wildlife Service (FWS), the New Mexico Department of Game and Fish, the Audubon Society, the National Wildlife Federation, a local rancher, and a whooping crane expert, Dr. Rod Drewien, of the University of Idaho Cooperative Wildlife Research Unit. A recommendation is anticipated from the committee in April.

Question: What is the historical basis for hunting on Bosque?

Answer: Canada, snow, and Ross' goose hunting was first permitted on the refuge in 1965 and was limited to snow and Ross' geese only in 1971. The non-toxic shot program which the refuge still requires was instituted during the 1973-1974 hunting season. The experimental whooping crane project began in 1975 and a mandatory hunter training program has been in effect since 1977 to assure that the whooping cranes would not be mistaken for geese during the goose hunt. Many other precautions and innovations have been incorporated into the hunting program to further protect the whooping cranes including pre-hunt briefings, warning systems, radios, and refuge observers. A total of 855 hunters participated in the 1983-1984 goose hunt on the refuge.

Question: Is hunting permitted on private lands adjacent to the refuge?

Answer: Snow and Ross' goose hunting is permitted on private lands near the refuge. There is a hunting club immediately adjacent to the north refuge boundary and much of the farmland is open to hunting throughout the valley north of the refuge. A very small amount of hunting takes place on private land south of the refuge, with virtually no activity occurring east and west.

Question: What would the whooping crane recovery team recommend regarding the 1984 hunt?

Answer: The Whooping Crane Recovery Team, which serves as an advisory group to the Regional Director in Albuquerque, New Mexico, on whooping crane recovery activities, has recommended that the Bosque hunt be cancelled in 1984. The Regional Director has formed a special advisory group (which includes representatives from the Service, the National Audubon Society, the National Wildlife Federation, and the New Mexico Department of Game and Fish) to study the Bosque hunt in relation to whooping crane recovery. This group is expected to make its recommendations in April 1984.

Question: Please provide for the record an FWS report on the cause of death for the whooper and on the impact of the hunt on the whooper population on the refuge.

Answer: A necropsy on the January death of the whooping crane was done by the New Mexico Department of Agriculture (the report has been provided separately to the Committee), and indicates that the "bird died from lead toxicosis"--lead poisoning, principally from ingestion of lead fragments. The report could not precisely identify these fragments or their source, as their shape had been altered from the effects of the grinding action of the gizzard. The crane had also been superficially wounded by lead shot (three pellets in the muscle of one leg). However, this wound, which was at least two weeks old when the crane died, was healed over by surrounding tissue, and did not contribute to the death of the bird, according to the necropsy report. Upon review of the data, the Service accepted the necropsy report and made statements to the media to that effect. Further analysis is still being conducted to pinpoint if possible the type and source of these lead fragments.

Hunting on the Bosque refuge has been underway since 1965. Steel shot has been required since the 1973-74 hunting season. A mandatory hunter education program has been underway since 1977 to ensure that whooping cranes are not mistaken for snow geese. In addition, pre-hunt briefings are conducted, warning systems have been established to alert hunters when cranes are in the area, and refuge observers are used to monitor both hunter and crane activities. The Service believes that the Bosque snow goose hunt has had no effect on the mortality of the whooper population on the refuge. It does, however, cause the cranes to leave the hunting zone. To the Service's knowledge, no crane has ever been killed by hunters on the refuge. Since the refuge hunt requires use of steel shot (and the refuge manager inspects hunter ammunition), the Service has concluded that neither the wound nor the ingestion of lead occurred on the refuge, nor was either a result of the snow goose hunt.

Question: Also, please summarize the results of the gizzard analyses and comment on the level of steel shot and lead shot ingestion and the likely long-term implications of such ingestion rates.

Answer: According to the necropsy report, the whooping crane's gizzard contained a large amount of metallic lead (approximately 890 fragments weighing 8.35 grams), and high lead levels in the blood (5.66 ppm), liver (24.0 ppm), and kidney (10.4 ppm). These organ analyses of lead content were comparable to or higher than reported lead poisoning findings in deaths of snow geese and sandhill cranes.

Gizzard analysis of snow geese taken during the last six hunting seasons at the Bosque refuge are given below:

Hunting Season	No. Birds Analyzed	Percent Steel Shot Ingestion	Percent Lead Shot Ingestion
1978-79	245	2.8	0
1979-80	235	1.0	0
1980-81	300	2.3	0.7
1981-82	259	2.7	0
1982-83	189	6.9	0
1983-84	249	4.8	1.6

In addition, gizzard analyses of 197 sandhill cranes collected during a food habit study (fall, 1981 through spring, 1983) on the refuge showed no lead shot ingestion. There are no known impacts from the ingestion of steel shot. The low incidence of lead shot ingestion in snow geese (as noted in the table above) should not have long-term negative impacts on the snow goose population using the refuge. The same inference can be made for sandhill and whooping cranes also using the refuge.

Lead/Steel Shot Issue

Question: Our appropriation bill carries as Section 305 the following language:

> "No funds appropriated by the Act shall be available for the implementation or enforcement of any rule or regulation of the United States Fish and Wildlife Service, Department of the Interior, requiring the use of steel shot in connection with the hunting of waterfowl in any State of the United States unless the appropriate State regulatory authority approves such implementation and enforcement."

Can the Fish and Wildlife Service require the use of steel shot for hunting on its own refuges without the approval of the State?

Answer: The Service cannot require the use of steel shot for hunting on its own refuges without the approval of the State in which the refuge is located.

Question: We have received a number of comments on the use of steel shot, some positive and some negative. Could you provide for the record a state-by-state analysis showing which states require or permit lead shot versus steel shot?

Answer: The following 25 States have designated areas in which steel shot is required for waterfowl hunting:

Atlantic Flyway

Connecticut, Delaware, Florida, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, and Virginia

Mississippi Flyway
Illinois, Indiana, Iowa, Ohio, Michigan, Minnesota, Missouri, and Wisconsin

Central Flyway
Kansas, Nebraska, New Mexico, and Texas

Pacific Flyway
Oregon and Washington

Endangered Species Grants to States

Question: Do the endangered species grants to states regulations permit states to expend grant funds on species not listed as endangered or as candidates to be designated as endangered by the Federal government?

Answer: Yes; Section 6(c)(1)(E)(ii) of the Act, and 50 CFR 81.2(c) implementing the Act, both establish that plans under the State program will give immediate attention to resident species which are determined by the Secretary or the State agency to be endangered or threatened, and which they both agree are in most urgent need of conservation programs. This authority is what allows the Endangered Species State Grant Program to fund work on non-listed and candidate species.

Question: Can you provide for the record the distribution of State grant money by species and by type of activity? For example, in FY 1984, $2,000,000 was provided to States. Do we know on which species this money is being spent? Do we know the type of activity on which the money is being spent (listing, recovery, research, etc.)?

Answer: A list of allocations for FY 1983-1984 by State, categorized by activity (listing, recovery, research, and protection) is provided below. Listing includes activities, primarily status surveys, for non-listed species. Protection includes primarily habitat protection projects and law enforcement, such as bat cave gating, habitat fencing, and trespass patrols. Research involves projects identified in recovery plans, and recovery includes all other projects (e.g., habitat management, population surveys, information and education, etc.). The projects are categorized according to primary project goals. Also included is a list of species associated with the project allocations for each State during these two fiscal years.

Section 6 State Grant Allocations by Activity - FY 1983-1984 ($000)

	Listing		Recovery		Research		Protection		Total	
STATE	83	84	83	84	83	84	83	84	83	84
AR	-	-	1.5	35.0	-	-	-	8.0	1.5	43.0
CA	-	-	209.7	258.0	187.4	95.0	22.1	-	419.2	353.0
CO	-	25.0	225.0	79.0	15.0	-	20.0	-	260.0	104.0
DE	-	-	10.0	7.9	-	-	-	-	10.0	7.9
FL	-	-	57.7	35.0	157.0	135.0	-	-	214.7	170.0
GA	-	-	75.0	48.0	-	-	-	-	75.0	48.0
GU	30.0	30.0	-	-	-	-	-	-	30.0	30.0
HI	-	1.9	-	92.3	-	-	-	-	-	94.2
IA	-	4.1	34.8	24.0	-	-	-	-	34.8	28.1
ID	10.0	-	26.2	18.0	-	-	-	-	36.2	18.0
IL	-	-	28.5	12.0	-	-	-	-	28.5	12.0
MA	-	-	11.0	-	8.0	12.0	-	-	19.0	12.0
ME	-	-	23.0	20.0	-	-	-	-	23.0	20.0
MD	-	-	40.0	38.5	-	-	-	-	40.0	38.5
MI	-	4.1	187.3	149.4	-	-	-	-	187.3	153.5
MN	-	-	12.0	-	54.0	88.0	-	-	66.0	88.0
MO	-	-	21.0	29.0	10.0	-	-	-	31.0	29.0
MT	-	-	33.0	99.0	-	-	-	-	33.0	99.0
NE	-	-	9.5	8.0	-	-	-	-	9.5	8.0
NH	-	-	13.1	10.0	-	-	-	-	13.1	10.0
NJ	-	-	19.0	8.0	-	-	-	-	19.0	8.0
NM	24.0	-	42.0	52.5	-	-	30.0	-	96.0	52.5
NV	-	4.5	30.0	6.8	-	-	-	-	30.0	11.3
NY	-	-	88.0	5.0	2.5	4.0	15.1	20.5	105.6	29.5
NC	-	-	45.0	35.5	-	-	-	-	45.0	35.5
OH	4.5	4.5	-	-	-	-	7.8	7.8	12.3	12.3
PA	-	-	25.0	25.0	-	-	-	-	25.0	25.0
RI	-	-	3.5	2.2	-	-	-	-	3.5	2.2
SC	-	-	126.5	105.5	9.1	-	-	-	135.6	105.5
TN	5.0	-	30.0	9.0	-	-	-	8.5	35.0	17.5
UT	-	-	66.5	85.0	-	-	-	-	66.5	85.0
VA	-	-	7.0	15.0	10.0	-	3.0	-	20.0	15.0
VI	-	-	17.0	-	15.0	40.0	-	-	32.0	40.0
WA	40.0	28.0	16.8	25.0	-	-	-	-	56.8	53.0
WI	-	-	15.0	33.0	18.0	-	-	-	33.0	33.0
WV	-	-	7.0	21.4	-	10.0	-	8.6	7.0	40.0
WY	10.0	10.0	35.0	95.0	65.0	-	-	-	110.0	105.0
TOT	123.5	112.1	1591.6	1487.0	551.0	384.0	98.0	53.4	2364.1	2036.5

Species Funded By Section 6 Grants by State (FY 1983-1984)

MAMMALS	FY 1983 States	FY 1984 States
Black-footed ferret	MT, UT, WY	MT, WY
Delmarva fox squirrel	DE, MD, VA	DE, MD
Eastern cougar	--	AR
Florida panther	FL	FL
Gray bat	--	AR, MT, TN
Gray wolf	MI, MN	ID, MI, MN
Grizzly bear	ID, WA, WY	WA, WY
Indiana bat	NY, PA, WV	AR, NY, TN, VA, WV
Little Marianas fruit bat	--	GU
Manatee	--	FL
Marianas fruit bat	--	GU
Mexican wolf	NM	--
Morro Bay kangaroo rat	--	CA
Mountain caribou	ID, WA	--
Ozark big-eared bat	--	AR
Salt marsh harvest mouse	CA	--
San Joaquin kit fox	--	CA
Sea otter	CA	CA
Sheath-tailed bat	--	GU
Utah prairie dog	UT	UT
Virginia big-eared bat	WV	WV
BIRDS		
Aleutian Canada goose	--	CA
Bald eagle	DE, GA, ID, IL, MA, MD, NC, NH, NJ, NY, PA, RI, SC, TN, UT, VA, WI	AR, DE, GA, IL, MD, ME, NC, NJ, PA, RI, SC, TN, WI
Bridled white-eye	GU	GU
California clapper rail	--	CA
California condor	CA	CA
California least tern	CA	CA
Cardinal honeyeater	GU	GU
Guam broadbill	GU	GU
Guam rail	GU	GU
Hawaiian crow	--	HI
Kirtland's warbler	MI	MI
Light-footed clapper rail	--	CA
Marianas crow	GU	GU
Marianas fruit dove	GU	GU
Marianas gallinule	GU	GU
Marianas mallard	GU	GU
Micronesian kingfisher	GU	GU
Micronesian starling	GU	GU
Nene (Hawaiian goose)	--	HI
Peregrine falcon	CA, CO, DE, ME, MN, NC, NH, TN, UT, WA	CO, NH, NM, NV, UT, WA, WY
Red-cockaded woodpecker	FL, GA, MO, VA	AR
Rufous-fronted fantail	GU	GU
San Clemente loggerhead shrike	CA	--
San Clemente sage sparrow	CA	--
Snail kite (Everglade kite)	FL	FL
Vanikoro swiftlet	GU	GU
White-throated ground dove	GU	GU
Whooping crane	NB	NB
Wood stork	FL, GA, SC	--

FISH	FY 1983 States	FY 1984 States
Barren's topminnow	TN	--
Bonytail chub	--	CO, UT
Chihuahua chub	NM	NM
Colorado squawfish	CO	CO, UT
Greenback cutthroat trout	CO	--
Humpback chub	CO	CO, UT
Lahontan cutthroat trout	NV	--
Loach minnow	NM	--
Mohave tui chub	CA	CA
Owen's River pupfish	CA	--
Ozark cavefish	AR	--
Spike dace	NM	--
Woundfin	--	UT

PLANTS		
Astragalus microcymbus	CO	CO
Astragalus osterhoutii	CO	CO
Atriplex pleiantha	CO	CO
Broad-fruit mariposa	--	WA
Bunched arrowhead	--	NC
Cotton's milk-vetch	--	WA
Cooke's kokio	--	HI
Eriogonum brandegei	CO	CO
Eriogonum pelinophilum	CO	CO
Eureka dunegrass	CA	CA
Eureka evening primrose	CA	CA
Green pitcher plant	GA	GA
Hairy rattleweed	--	GA
Haplostachys haplostachya var. *angustifolia*	--	HI
Hawaiian vetch	--	HI
Jessica's aster	--	WA
Knowlton cactus	CO	--
Kokia drynarioides	--	HI
Lipochaeta venosa	--	HI
Mesa Verde cactus	CO	--
Mountain golden heather	--	NC
Northern monkshood	OH, WI	OH, WI
Persistant trillium	--	GA
Phacelia formulosa	CO	CO
Phacelia submutica	CO	CO
Platanthera leucophaea	--	MI
Raven's manzanita	--	CA
San Diego mesa mint	CA	CA
Santa Barbara Island live-forever	CA	CA
Small whorled pogonia	RI	RI
Solano grass	--	CA
Spineless hedgehog cactus	CO	--
Stenogyne angustifolia var. *angustifolia*	--	HI
Truckee barberry	--	CA
Uinta Basin hookless cactus	CO	CO

HERPTILES	FY 1983 States	FY 1984 States
American alligator	FL, GA, SC	GA, SC
American crocodile	FL	FL
Blunt-nosed leopard lizard	--	CA
Coachella Valley fringed-toed lizard	CA	--
Desert slender salamander	CA	--
Desert tortoise	--	NV
Green turtle	--	VI
Hawksbill turtle	VI	VI
Illinois mud turtle	--	IA
Leatherback turtle	VI	VI
Loggerhead turtle	NC, SC	NC, SC
Plymouth red-bellied turtle	--	MA
San Francisco garter snake	CA	--
Santa Cruz long-toed salamander	CA	CA
Wyoming toad	WY	WY
INVERTEBRATES		
Chittenango snail	NY	NY
Delta green ground beetle	CA	--
El Segundo blue butterfly	CA	--
Flat spired three-toothed snail	WV	WV
Iowa pleistocene snail	IA	--
Lotis blue butterfly	CA	--
Palos Verdes blue butterfly	CA	--
Pearly mussels		
Alabama lamp	--	TN
Appalachian monkeyface	--	TN
Birdwing	--	TN
Cumberland monkeyface	--	TN
Curtis's	--	MO
Dromedary	--	TN
Fat pocketbook	--	AR, IA
Fine-rayed pigtoe	--	TN
Green-blossom	--	TN
Higgin's eye	IA	IA
Orange-footed	--	TN
Pale Lilliput	--	TN
Pink mucket	--	TN
Rough pigtoe	--	TN
Shiny pigtoe	--	TN
Tuberculed-blossom	--	TN
Turgid-blossom	--	TN
White warty-back	--	TN
Yellow-blossom	--	TN
Socorro isopod	NM	--
Tan riffle shell mussel	--	TN
Valley elderberry longhorn beetle	CA	--
Virginia fringe mountain snail	VA	VA

Endangered Species Grants to States

Question: Are there any recovery plans currently being funded exclusively by States? If so, which ones?

Answer: There are no recovery plans currently being funded exclusively by States. Recovery plans are complex documents with many tasks requiring implementation to effect the recovery (or reclassification) of a species. For each task, the recovery plan identifies the funding level required and the lead agency responsible for completing the task. The States are frequently identified as the lead agency responsible for the completion of specific tasks, or as cooperators on more widespread complex tasks.

Question: Will any of the $4 million proposed for FY 1985 be spent on marine mammals? If so, which ones and how much?

Answer: Based on prior submissions and current State programs, the Service would expect both California and Florida to request funding for projects involving the southern sea otter and Florida manatee, respectively, with anticipated requests totalling $40,000 to $160,000 for each species. Service allocations will be dependent on the level of appropriations enacted, specific project proposals submitted by the States, and established priorities for implementing such recovery actions.

Special Foreign Currency Program

Question: For the record, please provide a list of FWS programs funded in FY 80-84 through the Special Foreign Currency Program.

Answer: The Service has utilized special foreign currencies in Egypt, Pakistan and India to support the following activities:

- Multi-year projects surveying endangered species and their habitats and developing management policies and schemes for ecologically important areas;
- Production of conservation education materials including films and posters in English and local languages;
- Training activities in the U.S. and in-country to enhance existing institutions' capabilities;
- Cooperative exchanges of scientists and technical information;
- Support of international symposia on endangered species and their habitats.

Question: Did the Service request Special Foreign Program funding in FY 85?

Answer: The Service requested and the Department of the Interior approved Special Foreign Currency funding support in Pakistan and India in FY 1985. The request for authorization of additional foreign currencies was not approved, however on the basis that funds available in India were declining and that this currency was unlikely to be declared excess in the future.

Question: For what programs and at what level?

Answer: The total amount requested was $4.88 million in U.S.-owned Indian and Pakistani rupees (India-$3.67 million, Pakistan-$1.21 million) for supporting ongoing projects established in prior years dealing with endangered species research and management conservation education, training and establishment of institutions and facilities that would provide India and Pakistan the ability to become self-sufficient in their wildlife conservation programs.

General Administration

Question: Your estimated unemployment compensation payment for FY '85 is $229,000. However, your FY '83 actual cost is more likely to be $1,100,000, as will the FY '84 actual cost. Why haven't you requested the full amount of anticipated costs?

Answer: The Service is charged a pro rata share of the Department of Interior's total cost for unemployment compensation based on billings issued by the Department of Labor (DOL). Budget projections are based largely on the prior year's billings since there is no reliable way to anticipate future costs based on actual employee separations or other internal factors. However, DOL billings have been issued intermittently, up to six quarters after the actual costs have been incurred, with frequent post-billing period adjustments. The magnitude of FY 1983 costs was unknown when the FY 1984 budget was formulated, and for this reason, accurate cost projections could not be made. The FY 1985 budget projection may be inaccurate for similar reasons although the Service anticipates a reduction from the FY 1983 level of costs because of an increased FTE ceiling and the reduced out-year impact of previous facility closures. This should stabilize Service employment and correspondingly reduce unemployment compensation claims.

Gainesville Fishery Research Laboratory, Florida

Question: Has construction started on the Gainesville Fish Lab? When?

Answer: Construction on the main laboratory building was initiated on January 20, 1984, using funding provided in the FY 1983 Supplemental Appropriations Act.

Question: What will be the cost of Phase II?

Answer: The original estimated cost of the project was approximately $4.0 million for the first phase and $4.3 million for the second phase, for a total cost of approximately $8.3 million. The Service received a very favorable bid on the initial major construction contract for the laboratory. As a result, it may be possible to accomplish more than originally anticipated with the initial appropriation of $4.0 million.

Question: Will the Service be able to obligate any of the Phase II money during FY 1985 if funds are provided?

Answer: At this time, it appears that all facilities other than the experimental ponds can be completed with the funding currently available. Construction on the main laboratory building should be completed about March 1985, with suppport facilities shortly thereafter. The laboratory building should be equipped and ready for occupancy by the fall of 1985. The Service is in the process of reviewing the design requirements for the experimental ponds based on new, evolving mission objectives for the laboratory. This review, along with updated cost estimates for the ponds, should be available about July 1984.

Question: Have funds been provided to finance the first year operational costs? If not, how much will that be?

Answer: The laboratory has an operational budget of $242,000 and 3 FTEs in FY 1984 and FY 1985. We believe this is adequate until the laboratory building is ready for full occupancy at the beginning of FY 1986. The Service will consider needed O&M funding for the Gainesville laboratory in formulating FY 1986 and future year budget requests.

Advance Planning

Question: What will be done with the $1 million proposed in FY 1985 to continue the Advance Planning process begun in FY 1984?

Answer: The $1,000,000 requested for Advanced Planning in the FY 1985 budget request would be used to continue a program initiated in FY 1984. Advance Planning is preliminary planning, engineering, schematic design, and cost estimating conducted prior to detailed design/construction phases of a major construction project. The purpose is to insure the practical feasibility of proposed projects early in the planning/ budgetary process, improve the reliability of budget proposals, and assure the optimum use of budgetary authority. It includes such things as development of project objectives; description of project components/elements; explanation of planning, engineering and design assumptions; development of biological and functional design criteria; analysis of on-site resources and conditions; and other such information necessary for making informed budgetary decisions regarding major construction projects.

Question: Are we purchasing computer hardware and software or are we basically paying personnel expenses needed to input data on existing FWS facilities?

Answer: The Advanced Planning process is basically an information gathering and analysis process for proposed projects. The bulk of the funding would be used for the salaries of Service engineers and other personnel involved in conducting the project planning activities. Some funding may be used for contracts for specific on-site studies, such as soil analysis, that the Service cannot perform but which are necessary for determining project feasibility. The Service has no plans for using any of this funding for the purchase of computer hardware or software.

Public Use

Question: According to your recently completed public use study, the FWS has 21 field stations that have adequate facilities in place to operate a public use program. An additional 26 locations have been ranked in FWS priority for targeted assistance to improve the public use component of the field station. How much operational money would be needed, in total, to improve public use programs at field stations that have adequate structural facilities?

Answer: For those stations having adequate structural facilities, we estimate that, based on the "Report on Public Use..." transmitted to the U.S. Senate Subcommittee for Appropriation in March 1984, $951,000 would be required annually to bring their public use programs to a level that would benefit overall public use and provide for anticipated increases in visitation during the next five years.

Question: How many personnel would be needed?

Answer: We would need an additional 14.2 FTEs to meet the needs of enhanced programs and increased visitor use on those refuges with adequate structural facilities.

Question: What percentage of these funds and staff years would be used for projects that could be labeled as environmental education projects?

Answer: Approximately 50 percent of the increases, or $475,000 and 7 FTEs, would be used to meet the needs of increased educational activities on refuges with adequate structural facilities.

Visitor Center Construction - Patuxent Wildlife Research Center

Question: I notice that the Service's number one priority is for construction of a visitor facility at Patuxent Wildlife Research Center in Maryland. Do you have a draft plan of what would be done if $1.9 million in construction funding and an additional $65,000 in annual operations money were to be provided?

Answer: While the visitor facility at Patuxent Wildlife Research Center is the Service's number one public use construction project, it is not the Service's highest priority construction project. All projects involving public and employee health and safety and many important habitat resource projects have higher priority within Service planning.

At this time, there are no draft plans available for the project. However, the Service has provided funding, and advance planning is currently in progress on the facility. The $1.9 million construction project at Patuxent is intended to provide a building of approximately 6,500 square feet complete with a reception area, auditorium, interpretive/educational displays, other internal furnishings and limited landscaping. The major educational themes to be addressed through exhibits, audio visuals, and other means in the visitor center will be the role and value of wildlife research. Sub-themes will include endangered species, environmental contaminants, and other appropriate subjects.

The $65,000 in annual O&M costs would be used for general upkeep of the building, utilities, program development and implementation, and other operational activities.

Public Use

Question: Number 4 on the FWS list is $525,500 in construction money and $50,000 additional annual operating funds for activities at the Deer Flat NWR in Idaho. Please provide for the record a project proposal and capability statement indicating what the enhanced public use program would consist of.

Answer: A project proposal and a capability statement follow:

U.S. FISH AND WILDLIFE SERVICE
FISCAL YEAR 1985 CONSTRUCTION PROGRAM

NATIONAL WILDLIFE REFUGE: Deer Flat NWR, Idaho

REGION: 1 (Portland, OR)

PROJECT TITLE: Modification and development of visitor facilities.

PROJECT DETAIL:

	($000 estimates) FY 85	Future
Rehabilitate facilities, develop interpretive displays, and build kiosks.	525.5*	0
Increase annual operating funds.	50.0	50.0

PROJECT SCHEDULE:

Project start: October 1984
Project completion: September 1985

PROJECT JUSTIFICATION:

Project Description: This project includes modification of the existing visitor center, the development of permanent educational interpretive displays, the design and construction of interpretive kiosks at both the upper and lower dam areas, improvement of visitor access points to the reservoir, improvement of roads, signs, and picnic facilities, and modification of existing trails for easier access by disabled persons. Additional operating funds would be used to maintain the improved facilities and to develop and implement new programs and displays.

Need: The Deer Flat NWR consists of 11,218 acres of land adjacent to a Bureau of Reclamation reservoir in western Idaho. The present visitor facilities are inadequate to properly provide for the needs of the 134,000 annual visitors. The current visitor center is small and lacks permanent interpretive displays. Major visitor activities are centered around the upper and lower dam areas and there are no interpretive facilities available at either site. Most of the activities are water-related, such as boating, water skiing, fishing and picnicking. Boat landings and access points need to be improved to insure visitor safety, roadways need to be widened and improved, the installation of better signs and additional picnic facilities would assure visitors easier access to facilities. Current trails allow most visitors an opportunity to learn more about the fauna and flora of the area but are generally inaccessible to many disabled people. We estimate that these improvements would provide a more pleasant and rewarding experience and result in a substantial increase in the number of visitors.

The requested increase in operational funds would permit the Service to maintain the new facilities and to develop programs, purchase supplies, and provide equipment for operational programs.

This project is based on safety needs as well as needs for increased efficiency.

* Actual engineering design has not been done and will be completed during the initial phase of the project at the same time any required clearances and permits are obtained. Cost estimates are based on standard design and escalated to April 1985.

CAPABILITY STATEMENT

DEPARTMENT OF THE INTERIOR

Agency/Bureau:	Fish and Wildlife Service
Fiscal Year:	1985
Appropriation:	Construction and Anadromous Fish and Resource Management
Activities:	Construction and Rehabilitation Wildlife Resources
Proposed Amount:	$525,500 for construction and $50,000 for operations and maintenance (O&M)

Current Program: Deer Flat NWR consists of 11,218 acres of land adjacent to a Bureau of Reclamation reservoir in western Idaho. The principal public use activities are water-related such as boating, water skiing, fishing, and picnicking. There is a small visitor center but it lacks adequate permanent wildlife-related exhibits. Current annual visitation is 134,000.

Amount Budgeted: The public use budget summary is as follows:

	Resource Management	Construction
FY 1984	$100,000	0
FY 1985	$100,000	0

Feasibility: The $525,500 in construction funds could be used to modify the existing visitor center, develop permanent educational/interpretive wildlife oriented displays, build interpretive kiosks at both the upper and lower dam areas, improve signs, and picnic facilities. Trails could be modified so that they would be accessible to disabled persons. The increase could also provide $50,000 in additional operating funds for use in maintaining the new facilities, developing and implementing programs that would provide for the needs of visitors and provide a pleasant, informative visit. During the first year, operations and management funding could be used to develop programs, purchase supplies, and provide equipment necessary to conduct an enhanced operational program. In the out-years, the money could be used to maintain the facilities and conduct the program to insure that the needs of the Service and the visitor are adequately met.

The program currently being conducted at the Deer Flat NWR meets the basic needs for the 134,000 annual visitors and affords them a safe visit. Although the proposed enhancement could make improvements, additional funding for the suggested work was evaluated on an equal basis with funding requirements of related priority activities and program components. The conclusion of the Service was that work in this area could be deferred without an adverse impact.

Capability: The Fish and Wildlife Service has the capability to design the requested facility, contract for its construction, and develop programs to utilize it to maxinum efficiency without immediate need for additional personnel. Estimated costs are as follows:

Construction:	
Modify existing visitor center	$ 95,000
Develop permanent educational/ interpretive displays	50,000
Build interpretive kiosks at upper and lower dam areas, improve visitor access to reservoir	179,500
Enhance roadways, signs and picnic facilities	124,000
Modify trails for easier accessibility by disabled persons	77,000
Construction Total	$525,500
Resource Management:	
Develop and implement new programs, maintain facilities, purchase supplies and equipment	$50,000
	$50,000

Outlay Effects:

	FY 85	FY 86 and Beyond
Wildlife Resources	$ 50,000	
Construction and Rehabilitation	150,000	$375,500

Proposed By: Senate Appropriations Subcommittee

Public Use

Question: For the record, please provide a brief project proposal and cost/outlay schedule for the top 25 projects listed by the FWS.

Answer: A list including project proposals for construction and related operation and maintenance costs for the Service's 25 priority public use projects, as presented in the "Report on Public Use..." transmitted to the U.S. Senate Subcommittee for Appropriations in March 1984, follows. Because these projects represent a long-term planning effort, outlay estimates are not displayed; however, outlays for construction projects are approximately 20 percent during the year for which funds are appropriated.

PUBLIC USE PROJECTS IN PRIORITY ORDER
($000)

Project Priority	Station/State	Annual O&M			Construction		
		Salary/ FTE	Prog. Ops	Total	Proj. Detail	FY	$
1	Patuxent Wildlife Research Center, M.	68/2.5	65	133/2.5	Visitor Center	86	1,900
					Parking, access, utilities	86	200
					Visitor transport	86	100
					Total		2,200
2	National Elk Refuge/Jackson Fish Hatchery, WY	90/4.0	146	236/4.0	Aquarium	*	750
					Visitor center/w parking	89	1,250
					Trails, kiosks	*	200
					Total		2,200
3	Tinicum NEC, PA	37/1.2	135	172/1.2	Wildlife education center/office	87	5,000
					Trails, kiosks	*	160
					Parking, utilities	*	125
					Education site, boardwalk	*	540
					Total		5,825
4	Deer Flat NWR, ID	25/1.0	50	75/1.0	Modify visitor center	86	100
					Trails, boardwalks, kiosks	86	140
					Total		240
5	Trustom Pond NWR, RI	63/2.5	45	108/2.5	Visitor center office	90	800
					Trails, boardwalk, restrooms	90	150
					Total		950

* Beyond FY 1990

Project Priority	Station/State	Annual O&M			Construction		
		Salary/ FTE	Prog. Ops	Total	Proj. Detail	FY	$
6	Kenai NWR, AK	140/4.0	200	340/4.0	Education Center	86	500
					Interpretive kiosks trails	89	360
					Contact stations	86	500
					Parking	89	256
					Camping	*	3,000
					Water/sewage	*	140
					Pave Roads	*	2,400
					Total		7,156
7	Mason Neck NWR, VA	50/2.0	35	85/2.0	Visitor center/office w/utilities, parking	88	1,300
					Exhibits	*	70
					Tour Road	*	235
					Gravel roads	*	425
					Observation tower	*	50
					Total		2,080
8	Anahuac NWR, TX	0/0	51	51/0	Visitor center/office w/utilities, parking	88	800
					Trails	*	70
					Tour road	*	600
					Gravel road	*	270
					Total		1,740
9	San Francisco Bay NWR, CA	50/2.0	51	101/2.0	Trails	*	930
					Viewing areas	*	74
					Parking	*	120
					Total		1,124

* Beyond FY 1990

		Annual O&M			Construction		
Project Priority	Station/State	Salary/ FTE	Prog. Ops	Total	Proj. Detail	FY	
10	Minnesota Valley NWR, MN	25/1.0	50	75/1.0	Visitor center	*	6,600
					Kiosks, trails	*	1,318
					Parking	*	155
					Boating observation areas	*	75
					Total		8,148
11	Kilauea Point/ Hanalai NWR, HI	38/1.5	20	58/1.5	Visitor center modification	87	120
					Interpretive sites, kiosks	87	50
					Total		170
12	Tennessee NWR, TN	25/1.0	25	50/1.0	Visitor center	89	850
					Trails, parking	89	170
					Observation tower	89	18
					Boating facilities	89	720
					Total		1,758
13	Wheeler NWR, AL	38/1.5	20	58/1.5			0
14	National Fisheries Center-Leetown, WV	38/1.5	50	88/1.5	Education sites, trails	86	500
					Total		500
15	Upper Mississippi F&W Refuge, MN-IL	125/5.0	65	190/5.0	2 visitor centers	*	3,625
					Kiosks, outside exhibits	*	30
					Educational sites	*	50
					Boat landings	*	35
					Total		3,740

*Beyond FY 1990

Project Priority	Station/State	Annual O&M			Construction		
		Salary/ FTE	Prog. Ops	Total	Proj. Detail	FY	$
16	Iron River NFH, WI	20/0.8	14	34/0.8	Rehab exhibits,water system, viewing area	*	50
					Total		50
17	Merritt Island NWR, FL	50/2.0	50	100/2.0	Interpretive trails, kiosks	*	70
					Road & dike improvement	*	200
					Exhibits-NASA visitor center	*	200
					Total		470
18	Brazoria NWR, TX	50/2.0	30	80/2.0	Visitor center/office w/parking, utilities	88	1,300
					Exhibits	*	70
					Tour road	*	235
					Gravel road	*	425
					Observation tower	*	50
					Total		2,080
19	Aransas NWR, TX	0/0	60	60/0.0			0
20	Montezuma NWR, NY	20/0.8	20	40/0.8			0
21	San Luis NWR, CA	25/1.0	35	60/1.0	Kiosks	86	120
					Parking	86	120
					Road relocation	86	65
					Signs and interpretive trails	86	80
					Hunting facilities	86	20
							405

* Beyond FY 1990

		Annual O&M			Construction		
Project Priority	Station/State	Salary/ FTE	Prog. Ops	Total	Proj. Detail	FY	
22	Loxahatchee NWR, FL	38/1.5	35	73/1.5	Exhibits	*	37
					Signs	*	9
					Photo blinds, viewing areas	*	47
					Non-motorized trails	*	124
					Motorized trails	*	225
					Kiosks	*	60
					Concessions	*	53
					Total		555
23	Gavins Point NFH, SD	0/0	10	10/0.0	Visitor center, acquarium parking	89	1,000
					Total		1,000
24	Wichita Mountains NWR, OK	0/0	50	50/0.0	Visitor center modification	*	75
					Motorized trails	*	1,000
					Viewing areas	*	70
					Parking	*	150
					Signs	*	75
					Total		1,370
25	J.N. "Ding" Darling NWR, FL	25/1.0	50	75/1.0	Viewing areas	*	65
					Concession facility	*	830
					Cooperative assoc.	*	15
					Total		910
TOTAL		1,040/39.8	1,362	2,402/39.8			44,671

* Beyond FY 1990

QUESTIONS SUBMITTED BY SENATOR J. BENNETT JOHNSTON

Atchafalaya Basin

Question: When the Secretary appeared before the Committee several weeks ago, I raised my concerns about the Atchafalaya Basin and the urgent need to define the federal role. As you are aware, agreements were negotiated with landowners to hold their lands for three years with an expiration date of FY 1985. No funds have been requested in the FY 1985 budget. What is the Service's position on this critical issue?

Answer: The Service is in favor of preserving the natural resources of the Atchafalaya Basin. It is a model of state, federal, and private cooperation and logically fits within the Federal Refuge Wetlands initiative. We will continue to work with the Department of the Army, as well as examine options for a Service acquisition effort in FY 1985.

Question: How soon can we expect a response?

Answer: You recently received a letter from the Secretary that outlined his position on the Atchafalaya.

Question: What steps are being taken to move towards a workable solution to the problems?

Answer: We hope to be able to begin acquisition of a portion of the 25,000-acre fee title area while seeking to ensure that the simultaneous easement acquisition by the Department of the Army (in conjunction with flood control features) moves forward.

Bogue Chitto NWR

Question: Congress authorized $13 million for the acquisition of lands and interests for the Bogue Chitto National Wildlife Refuge to remain available until September 30, 1985. In FY 1983 and 1984, a total of $10,295,000 was appropriated. To date, less than half of the 40 thousand designated acres of land and water have been acquired.

If, as the budget states, emphasis is placed on acquiring habitat specifically authorized by acts of Congress, what has prevented the Service from acquiring the remaining lands and obligating appropriated funds?

Answer: Emphasis is placed on acquiring important fish and wildlife habitat specifically authorized by Congress, as well as habitat for endangered and threatened species and additions to existing refuges. Several factors, including a willing seller policy, sometimes join to make the acquisition of wildlife habitat a slow, laborious process.

To date, 17,825 acres have been acquired or are under contract to acquire by the Service and 6,458 acres have been acquired by the

State of Mississippi; approximately 61 percent of the authorized 40,000-acre refuge has been protected. The major factors slowing the obligation rate at Bogue Chitto are the time-consuming processes of negotiating with unwilling sellers and numerous owners and conducting appraisals on multiple small ownerships. Approximately 80 relatively small ownerships remain and offers have not been accepted by owners of the three remaining larger tracts, thus condemnation may be an alternative that will need to be considered.

Question: What is the Service's capability for acquiring additional lands?

Answer: Approximately $2,395,000 of appropriated funds for Bogue Chitto NWR will carry over into FY 1985. It is expected that approximately 5,330 acres could be purchased in FY 1985 using these carryover funds.

Question: What additional resources would be needed to complete the acquisition by September 30, 1985, and what would be the Service's capability to utilize new funds?

Answer: Due to unwilling sellers and multiple small ownerships described above, the land acquisition situation at Bogue Chitto NWR cannot be resolved by increasing either monetary or personnel resources; thus, the Service could not utilize new funds.

Existing Service personnel will continue to negotiate with landowners to protect habitat and obligate existing funds. Without resorting to condemnation (which cannot be done without Congressional approval), the refuge will not be completed by the expiration date of September 30, 1985.

Refuge Operations

Question: Under Public Law 96-288 Congress authorized $1,000,000 for construction of the Bogue Chitto refuge headquarters and boat launching facilities and the accomplishment of boundary surveys to remain available until September 30, 1985. Can the Service obligate $1,000,000 in FY 1985?

Answer: Funds have not previously been requested because the FWS did not have a suitable headquarters site. We are now acquiring the Lock One site and expect negotiations with the U.S. Army Corps of Engineers to be completed within six months. Headquarters construction on this site will be considered within the overall construction priorities through the Servicewide Construction, Rehabilitation, and Maintenance System. If the authority of P.L. 96-288 expires, funding could be sought under authority provided by the National Wildlife Refuge System Administration Act. Although there are higher priority needs, the Service could obligate $1.0 million in FY 1985.

Question: What is the level of funding for the Tensas River and Bogue Chitto NWRs?

Answer: Funding for the Tensas River and Bogue Chitto NWRs is as follows.

	FY 1984		FY 1985	
	O & M	ARMM	O & M	ARMM
Tensas River NWR	$106,000	$150,000	$ 85,000	$ 53,000
Bogue Chitto NWR	$ 75,000	$125,000	$176,000	0

The Accelerated Refuge Maintenance Management (ARMM) funds are allocated to specific stations for specific projects on a yearly basis. Regardless of current or previous ARMM funding, each refuge is eligible for future ARMM allocations.

Question: How are existing funds for these refuges being used? Please describe the operations that these funds support.

Answer: The funds at both Tensas River and Bogue Chitto NWRs are used to pay staff salaries, utilities, office space rental, equipment purchase and maintenance costs, fuel purchases, travel and per diem costs, purchase of materials for work projects, and generally support all refuge operations.

Specific refuge operations at Tensas River NWR include the following:

(1) Sampling of fish populations for pesticides.
(2) Developing a temporary field headquarters site.
(3) Assisting the Corps of Engineers and Service realty staff in land acquisition.
(4) Presenting talks to local groups-civic, conservation, schools, scouts, etc.
(5) Law enforcement.
(6) Administering refuge hunting and fishing programs.
(7) Wildlife census surveys - deer, bear, waterfowl, etc.
(8) Maintenance of refuge roads - i.e., gravel purchase and construction of pulloffs.
(9) Deer herd health maintenance checks.
(10) Planting wildlife openings.
(11) Boundary posting.
(12) Administering YCC programs.
(13) Cutting survey lines.
(14) Tearing down and removing old hunt camps.
(15) Coordination of refuge management activities with Louisiana Department of Wildlife and Fisheries.

Specific refuge operations at Bogue Chitto NWR include the following:

(1) Law enforcement.
(2) Refuge hunts.
(3) Public use program.
    (a) Development of canoe trails.
    (b) Visitor contact points.
    (c) Presenting talks to local groups - civic, scouts, etc.

(4) Wildlife inventories.
(5) Assistance to Ecological Services on 404 permit reviews adjacent to the refuge.
(6) Development of Forest Management Plan.
(7) Boundary marking and posting.
(8) Law enforcement and fire management training.
(9) Assistance to Regional realty staff in land acquisition.
(10) Maintenance of vehicles and equipment.

Question: Is the Service planning for any non-consumptive uses of these refuges such as canoeing or hiking? If so, what is the status of these plans?

Answer: Bogue Chitto NWR is developing canoe trails and will soon be soliciting bids for a canoe tour concessionaire. Visitor Contact Points at Lock I and Walkiah Bluff have been developed. Many visitors from New Orleans are already taking advantage of the refuge for wildlife observation and wildlands boating.

At Tensas River NWR visitors are already taking advantage of the refuge road system for wildlife observation. The refuge will be developing a Public Use Management Plan after the Master Planning is completed in FY-85. The refuge staff has conducted numerous group tours on the refuge and they expect the demand for self-guided auto tours or foot trails to increase as the refuge becomes better known to the public.

Question: How soon does the Service anticipate building a visitor center at Tensas River NWR?

Answer: The Service has not decided if a full scale visitor center will be needed at Tensas NWR. The refuge will be undergoing Master Planning in FY 1985 and visitor center needs will be finalized at the time. A temporary field headquarters and work center has been established and will be used for interpretive displays as well as an office until the Master Planning process is completed.

Question: How much would be needed to begin the center in FY 1985?

Answer: If the Service were to determine a visitor center is required, advance engineering planning and design should be undertaken first. Approximately $50,000 would be required for this effort.

Question: How do Louisiana refuges rank in order of priority in considering the construction needs of all other refuges?

Answer: Construction needs for all refuges are considered in the Service's Construction Rehabilation and Maintenance System. A 5-year capital development and major rehabilitation plan is updated annually and projects are prioritized within the plan according to the nature of the project. Health and safety projects are the highest priority. The second highest priority is projects required for habitat management with programmatic priorities in descending order: (a) endangered and threatened species; (b) migratory birds; and (c) resident wildlife. The third priority is facilities required to support the production and protection of wildlife values for which the refuge was established. The fourth priority is projects supporting wildlife oriented public use and the fifth priority is those projects required for environmental education and interpretation. Louisiana refuges are not scheduled for any construction funds in FY 1985. In FY 1986, the Tensas River NWR is the only refuge scheduled for construction funds. The project is the development of roadside pulloffs, and it is classed in the third priority group.

Question: Excluding Tensas River and Bogue Chitto NWRs, how much is needed for each of the remaining refuges in Louisiana above fixed costs and salaries to address construction needs?

Answer: Louisiana refuges are not scheduled for any construction funds in FY 1985. Construction planning for FY 1986 - FY 1990, excluding Tensas River and Bogue Chitto NWRs, indicate Louisiana National Wildlife Refuges require $14,990,500 to address their construction and rehabilitation needs over the next 4 years. Louisiana refuge construction needs, however, will be considered in light of total Service construction needs. The list of refuges and construction funding needed is as follows.

Delta	$ 358,750
Lacassine	5,912,500
Sabine	2,213,000
D'Arbonne	4,078,750
Upper Ouchita	526,250
Catahoula	1,901,250
Total	$14,990,500

Question: The Service has requested $15.9 million for ARMM. What is the current estimated maintenance backlog nationwide?

Answer: The Service's annual maintenance funding estimate for refuges is $56 million, based on 2.5 percent of the real replacement value of the capital investment and improvements ($1.9 billion). The estimated annual maintenance deficit is the difference between $56 million and the annual maintenance funding ($29.0 million in FY 1985). The deficit in FY 1985 is therefore $27.0 million.

Question: What is the estimated level of funding that would be needed in the next 5 years to correct current maintenance deficiencies?

Answer: Funding at $56 million annually during the next 5 years would allow for current annual maintenance needs to be met. Although an estimate has been made of the deficit, a better estimate will be available after the Service's Office of Maintenance Management completes the computer tracking system for identifying actual maintenance needs and expenditures by field station throughout the service. This project has been initiated and more accurate data should be available in September 1984.

Question: How much ARMM money will be allocated for Louisiana refuges in FY 1985?

Answer: ARMM funding for Louisiana refuges in FY 1985 amounts to $151,000.

Question: How will these funds be used?

Answer: Distribution of the ARMM funds for Louisiana refuges in FY 1985 is as follows.

Refuge	Project	Funds
Catahoula	Small Projects	$ 16,000
Delta	Rehab. boat slip & hoist	20,000
Lacassine	Small Projects	20,800
Sabine	Re-grade & pave maintenance area	25,000
Sabine	Small Projects	16,000
Tensas River	Rehab. WCS's	40,000
Tensas River	Small Projects	13,200
		$151,000

The funds identified as "small projects" will be used for refuge maintenance projects that are under $5,000 each, and cover all forms of maintenance needs. The ARMM funds identified above all fall into the ARMM "Rollover" category, as there were no ARMM funding increases for Louisiana refuges in FY 1985.

Funding for Lake County, IL, Wetlands Project

Question: In January 1985 Senator Percy wrote to the Secretary about a Lake County, IL wetlands mitigation project being proposed by Wetlands Research Inc. The purpose of the project is to establish a model for river and wetland habitat restoration along two and one-half miles of the Des Plaines River. According to the proposal, the Wetlands Research Inc. would study and demonstrate ways to mitigate the hydrologic impacts of urban and agricultural runoff and associated flood problems and restore this wetlands habitat to its original state at an estimated cost of $7 million. Would the Service favor such a proposal?

Answer: The Fish and Wildlife Service is interested in such a proposal because improved water quality and restored wetlands can benefit fish and wildlife. However, we would recommend that the restored wetlands and their associated fish and wildlife values should be protected in perpetuity for the benefit of the public.

Question: What would be the Service's capability and position on managing this project starting in FY 1985 in cooperation with the Environmental Protection Agency, the Corps of Engineers, and State and local authorities in Illinois?

Answer: The study proposes to demonstrate ways to mitigate the hydrologic impacts of urban and agricultural runoff and associated flooding problems through establishment of wetlands with their associated pollutant filtration capability. The estimated cost of the project is $7 million with $1.3 million for project management and technical assistance. The Service could provide project management and coordinate with EPA, the Corps, and the State fish and wildlife agency. These agencies and the Service should be among those Federal, State and local authorities that would be coordinated with to insure water quality benefits as well as enhanced fish and wildlife values. If the funding were received, it would be passed through to Wetlands Research, Inc., since they have the capability to undertake this large scale project. If direct Service involvement is needed, 8 percent of the funding would need to be specified for administration together with an estimated $50,000 for project management. If this is not possible, any involvement by the Service in this project in FY 1985 would require reallocation of funding and personnel from existing activities, since the project was not included as a proposal in the budget.

Refuge Operations/Fire Management

Question: The Service is requesting $440,000 supplemental funding to cover FY 1983 emergency fire costs. The budget states that unobligated Federal Aid funds were used to cover emergency fire costs.

Were any other accounts affected in covering the costs of emergency fire suppression activities?

Answer: No other accounts were affected in covering the costs of emergency fire suppression activities.

Question: Were any funds allocated for refuge acquisition used on a temporary basis? If so, which accounts or funds were used? What was the basis for making this decision?

Answer: No funds allocated for refuge acquisition were used, temporarily or otherwise, to cover the Service's costs of emergency fire suppression activities.

Emergency Striped Bass Study

Question: The budget states that the striped bass study is expected to be completed in FY 1985 utilizing FY 1984 carry-over funds. Neither reauthorization of the Anadromous Fish Conservation Act covering the study nor additional funds are being sought. How much is expected to carry-over from FY 1984?

Answer: A total of $4,675,000 has been appropriated for the study from FY 1980 through FY 1984; $2,900,000 to the Fish and Wildlife Service and $1,775,000 to the National Marine Fisheries Service. Of the funds appropriated to the Fish and Wildlife Service, we anticipate at this time that approximately $260,000 will remain unobligated at the end of FY 1984 and carry over to FY 1985.

Question: At what stage of completion is the study?

Answer: The original objective of the study was to determine the causes for the decline of east-coast striped bass populations and to develop recommendations for reversing the decline and restoring populations to historic levels. Results to date are not absolutely conclusive in regard to the specific causes of the population decline, but there is a general consensus that it is a combination of environmental contaminants, degradation of the spawning and nursery habitat, and excessive harvest (overfishing). The precise roles and inter-relationships of these factors relative to changes in the striped bass populations will not be precisely described within the context of the emergency study. Except for some follow-up work in FY 1985, the 5-year study will essentially be completed by the end of FY 1984.

Question: Can the study be completed with the funds available without adversely impacting the project?

Answer: Yes. It is the position of the Service that the major factors causing the decline have been adequately identified to justify implementation of management actions needed to protect and begin to rebuild the habitat and stocks. A number of the States on the east coast have indicated a commitment to undertake meaningful actions to reduce harvest (fishing) of the remaining adult spawning stocks. There is also a developing awareness of the necessity to reduce the release of contaminants into the rivers and estuaries along the east coast, and actions are being initated in this area. Also, a continuing systematic stock assessment program should be initiated by the management agencies to monitor the condition and recovery of the striped bass stocks.

The Service recognizes the value of additional research, but believes that this should not be used as justification to delay needed management actions to protect the stocks and reduce environmental contaminants. Additional information on the role of enviromental contaminants will be revealed as the study continues with the funding currently available through FY 1984.

$60 million LWCF

Question: The budget requests $29 million for federal refuge land acquisition. If Congress appropriated $60 million from the Land and Water Conservation Fund for acquisition of refuge land, how would you use the funds and what would your priorities be?

Answer: The FY 1985 request for the Land and Water Conservation Fund totals $57.5 million; of that amount $29 million is for federal refuge acquisition and $1 million is for acquisition management. Acquisition management funding is necessary to complement project funding. The following list identifies additional federal refuge land acquisition projects up to the $60 million level.

The list of land acquisition projects is presented in alphabetical order by acquisition authority, and within authority, by priority.

Fish and Wildlife Service
Land and Water Conservation Fund
$60 Million Federal Acquisition Funding Level
FY 1985
($000)

AUTHORITY: SPECIES/UNIT, STATE	PRESIDENT'S BUDGET	$60 M FUNDING LEVEL	REMAINING AFTER FY 1985 BUDGET REQUEST
Endangered Species Act:	14,550	31,090	40,440+
Moapa Dace, NV	800	800	0
American Crocodile, FL	5,000	5,000	0
Kirtland's Warbler, MI	750	750	0
Florida Panther, FL	4,000	4,000	11,000
Gray and Ozark Big-eared Bat, OK	100	750	1,650
Blunt-nosed Leopard Lizard, CA	3,200	3,200	*
Pahrump Killifish, NV	180	230	50
Clear Creek Gambusia, TX	20	20	0
Key Deer, FL	500	1,000	5,500
Hawaiian Forest Birds, HI		5,750	13,250
California Conder/Bitter Creek NWR (Hudson Ranch), CA		1,000	4,000
Masked Bobwhite Quail/ Buenos Aires Ranch, AZ		3,000	3,000
Coachella Valley Fringe-toed Lizard, CA		4,000	*
Ash Meadows, NV		800	1,200
Bald Eagle/Bear Valley, OR		790	790
Fish and Wildlife Act:	10,950	13,600	82,050
Lower Rio Grande Valley, TX	7,500	9,000	72,500
Lower Suwannee, FL	3,450	4,600	9,550
Recreational Use of Conservation Areas Act:	650	5,360	21,250+
Trustom Pond, RI	650	1,300	1,250
National Elk Refuge, WY		4,000	20,000
Leetown NFC, W VA		60	*
Specifically Legislated:	2,850	9,950	39,500
San Francisco Bay, CA	1,350	1,350	0
Great Dismal Swamp, VA/NC	1,500	1,600	7,000
Minnesota Valley, MN		2,500	11,000
Tinicum NEC, PA		2,000	3,500
Bon Secour		2,500	18,000
	$29,000	$60,000	$183,240

*Being determined

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

Leetown National Fishery Center

Question: Mr. Jantzen, I have several questions about the National Fishery Center in Leetown, West Virginia, and its related facilities throughout the country. First, now that the old stone building at Leetown has been renovated for use as a visitors center, it is my understanding that approximately $117,000 in additional funding is still necessary to furnish the facility for this purpose. How would these funds be spent?

Answer: Renovation of the old stone building at the Leetown National Fishery Center has been completed. Design and construction of educational exhibits is already underway using funds reprogrammed for this purpose following completion of the building renovation. Interpretive activities will be available to the public in the near future. Although the facility will be functional with the current funds available, an estimated $117,000 would complete all exhibits, provide furnishings, complete landscaping, construct sidewalks, and rehabilitate the original hatchery aquarium building, located adjacent to the old stone building, to provide additional interpretive opportunity. This need will be considered in development of future Service budget requests.

Question: Considering the total cost of $750,000 to renovate the building, it would be unfortunate for the visitor center to remain severely under-utilized because a relatively small amount of money was not spent to complete the exhibits, wouldn't you agree?

Answer: Completion of presently funded work will provide valuable interpretive opportunities at the Center. However, the Service intends to make every effort to make optimum use of the renovated facility.

Question: The Leetown Fish Research Center is a world renowned facility which conducts the highest quality research into such matters as fish health, genetics, and efficient propagation. This research is disseminated through a variety of technical services and through training at the Fisheries Academy. It is my understanding, however, that the existing 23 experimental ponds at Leetown leak and are of improper size and number for your research purposes. How would you rehabilitate these ponds to insure the full utilization of the research center as it is designed?

Answer: The existing ponds at the National Fishery Center were constructed in the 1930s as part of the old Leetown National Fish Hatchery. Because of age, they are in relatively poor condition with extensive leaks in many of the dikes. Also, since they were originally constructed primarily for production purposes, they are not of ideal size for the current research and training purposes. To be better suited for research and training, the ponds could be rebuilt as smaller experimental ponds with individual kettles for water control and draining. This need will be considered against other Service needs in the development of future budget requests.

Question: How much would this rehabilitation cost?

Answer: The estimated cost of renovating the existing 23 ponds in this manner would be approximately $4.3 million in FY 1985 dollars. However, 12 ponds would provide sufficient capability for the highest priority needs, allowing work to be phased over a several year period. The cost of renovating 12 ponds would be approximately $3,000,000.

Fishery Research

Question: It is suggested by some that the operating budget for fisheries research is inadequate to conduct the number of research test samples necessary to maintain a high level of success and confidence in many of the genetic experiments, for example. Would you agree that less than the optimum number of samples are being conducted at the present time in many fisheries research experiments?

Answer: I would not agree that the Service is conducting research that does not meet the criteria for valid scientific research. A primary consideration in designing experimental studies is to determine the number of replications or samples necessary to provide statistically valid results within the context of the question which the study is to answer or resolve. Depending on the specific situation, this may require very precise, statistically accurate results supported by a large number of samples or replications. In other instances, less precise results based on fewer samples or replications may suffice. In other words, the experiment must be designed to provide results with an acceptable statistical probability of providing the true answer to the question.

In managing a research program, it is often necessary to balance the cost of the research desired against the budgetary resources available. If the Service finds that adequate funds are not available to conduct a desired study in a sound, scientific manner, then that study is not done until adequate funding is available to do it correctly.

Question: Are you able to conduct the variety of research experiments necessary to fully meet the needs of the U.S. Fish and Wildlfife Service, other Federal agencies, State agencies, and private interests in a timely manner?

Answer: The Service's budget request is adequate to meet essential Service research needs. The Service cannot and does not attempt to meet all the needs of other Federal, State, and private interests. However, much of the research done in Service laboratories does provide concurrent benefits to these other interests. Also, the Service may undertake, within the limitations of available personnel and on a reimbursable funding basis, specific studies for other agencies when the studies parallel Service needs.

Question: What percentage of your research budget is supplemented by reimbursable funding from agencies and organizations outside the Fish and Wildlife Service?

Answer: In FY 1983, a total of $2,849,000 in reimbursable funding was accepted by the Service for fishery research studies. Approximately the same level of reimbursable funding is anticipated in FY 1984. A total of $10,624,000 was appropriated in FY 1984 under Resource Management for Fishery Research and Development. Therefore, the anticipated level of reimbursable funding in FY 1984 will equal approximately 27% of appropriated funds.

Question: Are your personnel ceilings and associated direct appropriations adequate to satisfy the various fisheries research requirements both within and outside the Fish and Wildlife Service?

Answer: The personnel allocations and appropriated funding are adequate to meet the essential fishery research needs of the Service. The Service does not attempt to meet the research needs of other agencies or interests except as our research may be applicable to their needs.

Question: Would you please provide for the record a detailed list of research projects which you were unable to conduct during fiscal year 1983 due to insufficient staff, equipment, or funding?

Answer: As stated previously, the Service believes its budget is adequate to meet the essential research needs of the Service. However, as with any program, there are often additional things you would like to do if unlimited funding were available. The approach taken by the Service in budgeting for research activities is to assure that essential research activities--those things that must be done in any given year--are adequately funded. Other desired research is then prioritized and implemented to the extent of the available funding. The following are examples of specific research activities at various laboratories that would have been expanded if additional funding had been available in FY 1983, or were considered but were not of sufficient priority to be implemented within the funding available to the laboratory in FY 1983. Although not conducted in FY 1983, some of these activities may well be undertaken as resources become available upon the completion of higher priority work.

- Expansion of surveys of whitefish and lake trout stocks in northern ~~Lakes~~ Michigan and Huron (Indian treaty-ceded waters).

- Expansion of surveys of alewife, smelt, and sculpin stocks in Lake Ontario.

- Upgrading of sonar equipment to more effectively map historical lake trout spawning grounds in nearshore waters of Lake Huron.

- Expansion of nutrient cycling studies in Lake Huron, particularly the relationship of hydrogen sulphide concentration on lake trout spawning grounds to the development of lake trout eggs and fry.

- Isolation and identification of attractant pheromones in lake trout.

- Identification and confirmation of newly detected contaminants in Great Lakes fish.
- Electrophoretic characterization of lake trout strains.
- Establishment of computerized data base on trout and catfish strains.
- Second presentation of several well-received fish culture short courses at the Fisheries Academy.
- Expansion of technical capability necessary for determining amino acid requirements of salmonid fish.

Acid Mitigation Research

Question: I note that the Fish and Wildlife Service has requested $6.5 million for acid mitigation research. This is an important activity that should not be limited to standing water. What plans does Fish and Wildlife Service have to carry out part of the mitigation research on streams, particularly in connection with acid neutralization systems that use crushed limestone or other materials in a mechanical distributor directly in the stream?

Answer: The Service's mitigation program addresses both lakes and streams. Because streams have unique hydrological characteristics, the choice of mitigation techniques and application will be different from those for lakes. In fact, we anticipate evaluating several primary mitigation methods for streams, including mechancial dosing of base material and the use of water diversion treatment devices. The specific evaluation of mechanical distributors of crushed limestrone or other neutralizing agents is part of the planned activity for stream studies. The physical, chemical and biological factors associated with stream mitigation strategies will be investigated at approximately 15-20 representative sites in the northeast and southeast regions.

Questions Submitted by Senator Walter D. Huddleston

Frankfort National Fish Hatchery

Question: I see from your budget justification that the Fish and Wildlife Service has not included any additional fish hatcheries for closure -- the only hatcheries proposed for no funding in FY 1985 were those included in the FY 1984 Interior and Related Agencies Appropriations Act. The Frankfort, Kentucky, National Fish Hatchery is one of those situations. Frankfort produces over 2 million fish for stocking and research. Approximately 1 percent goes to research and 25-30 percent goes to stock Federal reservoirs and waters. Why is this a low priority?

Answer: The Frankfort hatchery was originally proposed for closure because the majority of the fish produced are used for State fishery management programs. Some of the fish may be stocked in Federally constructed reservoirs, but the fisheries are managed by the State. The rationale is that the States should be responsible for producing fish needed for State fishery management programs.

Question: If the Federal Government builds a reservoir or impoundment isn't the replacement fishery considered mitigation and a Federal responsibility?

Answer: A replacement fishery is not considered mandated Federal mitigation unless it is so identified in the authorizing legislation of a water development project or the intent is clearly established in the legislative history of the project. Just the fact that the Federal government constructed a reservoir or impoundment does not automatically mean that associated fishery development is mitigation unless it is required Federal action to compensate for fish resources lost in development of the project.

Question: In the budget justification you state there is $578,000 in unscheduled construction at Frankfort. Doesn't this request represent a "dream plan" or a development plan which, while nice, is not necessary for hatchery operations?

Answer: The $578,000 is intended for dredging of the 6-acre reservoir pond, road replacement and repair, and rehabilitation of the sewage system. While these items are not immediately critical for continued operation of the Frankfort hatchery, they should probably be undertaken in the future in order to maintain reasonable operational efficiency. The Service's total Frankfort NFH development program used for internal planning purposes totals approximately $2.4 million for optimal development of the hatchery.

Question: It is my understanding that Frankfort can be successfully operated for the $141,000 which was spent at this facility in FY 1983. Is this correct?

Answer: The $141,000 was full-year operations expenditures in FY 1983. If Congress chooses to continue operation of Frankfort in FY 1985, this amount, adjusted for Federal pay raises and inflationary cost increases from 1983 to 1985, would be a reasonable estimate of funding needed to maintain operations at the 1983 level in FY 1985.

Question: If Frankfort is closed there will be no Federal warmwater hatchery in the 6-state area of Kentucky, Tennessee, Missouri, Indiana, Illinois, and West Virginia. How will the Federal need for warmwater fish in this area be met?

Answer: We anticipate that the Service's future need for warmwater fish in this area will be small, perhaps limited to possible Service fishery management programs on national wildlife refuges. These refuge programs will, for the most part, not require annual stocking programs. Fish required for this purpose will be supplied from Federal hatcheries in Mississippi, Alabama, Georgia, South Carolina, or Wisconsin.

Blackbird Damage Control

Question: What specifically is the Fish and Wildlife Service's policy on blackbird control?

Answer: The policy of the Service is to assist in the control of blackbird/ starling concentrations that are causing agricultural damage or are urban nuisances. Service personnel are responsible for recommending methods, lethal or nonlethal, to resolve these problems. Service personnel will not regularly conduct operational control activities except when emergency situations exist that may involve public health and safety. In addition, the Service provides assistance, upon request, to Federal Aviation Administration representatives, airport managers, airline representatives and military base commanders who have blackbird related problems at airports or air bases.

Continental blackbird/starling population reduction is not a goal of the Service; however, reduction in specific concentrations may be the most effective method to solve specific problems.

Question: Why is the Fish and Wildlife Service not trying to find a better way to control blackbirds in their winter roosts? State agencies who were present at the last field tests conducted some years ago say the tests were poorly executed and were too few in number to draw any conclusions. We are familiar with the PA-14 tests currently underway.

Answer: Several different methods for controlling blackbirds in their winter roosts are being investigated by the Fish and Wildlife Service. Contact poisons were the first control techniques tested, but because they are very toxic, especially to aquatic life, their potential for use is limited. We are continuing to screen for new chemicals, but have no new candidates.

Recent success with PA-14 in directly controlling large roosts is encouraging. PA-14 is already registered for controlling blackbird roosts by aerial application and additional application techniques are being studied.

Other lethal methods being investigated include the baiting of blackbird staging areas (areas where blackbirds congregate before flying to the roost) with the toxicant, Starlicide. To overcome problems with blackbirds in feedlots, baiting trials with Starlicide are being conducted.

Non-lethal control methods are also being researched. They include dispersal of blackbirds through severe habitat manipulation. In feedlots mechanical barriers have been designed to separate the feed from the birds. Modifying the cattle feed to make it either unpalatable or unattractive to blackbirds is being researched.

Question: Increased funding has been provided in the past for blackbird research. What progress has the Fish and Wildlife Service made in developing a lethal control agent?

Answer: Much of the past funding for blackbird research has supported studies of blackbird biology and behavior, such as feeding behavior and roost movements. Such information is necessary for effective testing and application of any control method.

Progress has been made with the registration of one lethal control agent, a surfactant, PA-14. This material can be aerially applied to those blackbird roosts that are not near water. PA-14 has toxic properties to some forms of aquatic life so it is not suitable for treating blackbird roosts that are near water. For controlling roosts adjacent to water the Service is continuing to screen compounds for a new surfactant, one not toxic to aquatic life. Also, we are currently requesting approval from EPA to apply PA-14 in a new sprinkler system.

Question: I have heard reports that a new delivery system for a wetting agent has been developed for use in blackbird control. How effective is it?

Answer: A new delivery system for applying the chemical PA-14 has been developed by the Bowling Green, Kentucky, field station of the Denver Wildlife Research Center for controlling blackbird roosts in an urban environment. With this system, the PA-14 is applied with water through a sprinkler system, thereby eliminating the critical weather conditions necessary for application of PA-14 by aircraft. The new system has the following limitations: maximum size of the roost treatable is 4 acres; a fire hydrant must be within 1,000 feet of a roost; and the water pressure requires boosting by a fire pumper truck. Tests conducted in 1984 have shown that this new delivery system has increased the efficacy to 85-90 percent mortality, and consistency of the treatment has also increased because of not having to rely on rain for the source of water.

Question: What is the cost per roost?

Answer: Cost per roost are: (1) the $8,000 cost of the irrigation system; (2) Manpower costs for setting up the system (from 15-30 man days depending on the size of system needed); (3) Water costs, one-half inch/acre minimum to one inch/acre preferred, (4) The toxicant, PA-14, at $180 per acre.

Question: Why are most of the animal damage control studies being conducted by the Fish and Wildlife Service research people so far from the needs, particularly in bird control?

Answer: To effectively control damages it is necessary to study the damaging bird species as well as the damage situation. The overall objective of controlling damage is better served by a broad biologically based research program than it would be by focusing solely on damage sites.

Question: It is my understanding that blackbird control researchers are stationed in Florida where there are few birds and in Northern Ohio where there are few or no winter roosts. Wouldn't it be better to put them in the winter roosting area?

Answer: The Ohio Bird Damage Control Research Station was established in 1965 to research the conflicts between blackbirds and agricultural crops, especially corn and sunflowers. Ohio is a major producer of both crops, and many of the blackbirds wintering in Kentucky and Tennessee spend the spring and summer in Ohio. During the breeding season this state has the highest density of blackbirds per square mile of any state or Canadian province. In addition in the late summer or early fall, the marshes along Lake Erie serve as a major concentration point for blackbirds before moving south. The Ohio station also serves the Northeastern United States. Some research in this region concerns gulls at airports.

The Florida field station was established in the summer of 1941 for rodent research pertaining to the war effort. Later, in the 1950s, bird research was added as a function of the station. A major area of research was, and still is, development of methods to prevent blackbird damage to rice. One reason Gainesville was selected for blackbird research is its southern location which permits maintaining large numbers of blackbirds in outdoor aviaries. Gainesville developed PA-14, which is the most effective chemical registered for blackbird roost control, and is continuing to screen for surfactants that are not toxic to aquatic organisms.

Question: What is the procedure for obtaining input from within and outside the agency?

Answer: Within the agency research needs are identified by individual researchers or by ADC field agents and are submitted through a research needs process. Funds to conduct research are provided based on priorities set by the Associate Director for Wildlife Resources, who responds to the identified research needs. Input from outside the agency includes national and state organizations and individual citizens communicating with Congress and the Service.

The Bowling Green, Kentucky, field station holds an information exchange meeting every two years. At this meeting research accomplishments are presented by staff researchers, followed by a discussion with input from the participants. Participants include both the Kentucky and Tennessee Departments of Agriculture, the Center for Disease Control in Atlanta, the University of Louisville, the Kentucky Department for Human Resources (Health Department), the Tennessee Health Department, the Tennessee Wildlife Resource Agency, and the Kentucky Fish and Game Department.

In Ohio there is an organization known as the Ohio Coordinating Committee for the Control of Depredating Birds which consists of private pest control companies, the State Department of Agriculture, Ohio State University, the Ohio Division of Wildlife, the U.S. Fish and Wildlife Service, and farmers. This group meets once a year to review the Ohio field station's past performance and future research projects. In North Dakota there is a sunflower Advisory Committee which provides input.

Question: Do the cooperative university research organizations help in control studies? If so, list the studies currently underway and describe activities.

Answer: The Ohio Cooperative Wildlife Research unit is studying the ecology of blackbirds in fall and winter roosts to determine the causes of roost formation. The Colorado Wildlife

Research unit is studying the effectiveness of Avitrol in protecting sunflowers from blackbirds.

At the Ohio Bird Damage Control Station a cooperative program is underway with the U.S. Department of Agriculture through State universities and agricultural experiment stations. Four States, New Jersey, New York, Ohio, and Pennsylvania, are researching bird depredation with the Ohio field station acting as a coordinator to prevent overlapping of research. Ohio State University, Pennsylvanie State University, and Rutgers State University, are studying late summer roosts of blackbirds and their relation to agriculture.

At the present neither the Gainesville nor the Bowling Green field stations have cooperative studies with universities.

Bowling Green, Kentucky

Question: The budget justification for FY 1985 does not show any funds for the Bowling Green, Kentucky research station. What is their level of funding for FY 1985?

Answer: Since the Bowling Green, Kentucky, research station is a subunit of the Denver Wildlife Research Laboratory it does not appear in the budget justification. Funding for the Bowling Green, Kentucky, field station in 1985 is $227,500.

Question: Compare this funding level to that of FY 1983 and FY 1984?

Answer: The funding level for the Bowling Green, Kentucky, research station was $208,000 in FY 1983 and $217,500 in FY 1984.

Question: What type of research is being conducted there?

Answer: Research being conducted at Bowling Green is outlined as follows:

1. Evaluation of prebaiting roosting areas with Starlicide for reducing losses to starlings.
2. Behavior of starlings and blackbirds utilizing livestock feeding areas.
3. Determining movement and migration patterns of blackbirds and starlings.
4. Ecology of blackbird and starling winter roost formation.
5. Evaluation of PA-14 runoff and its prevention.
6. Studies to enhance the effectiveness of PA-14 in reducing blackbird-starling numbers in roosts.
7. Evaluation of habitat alterations for dispersing winter roosting blackbirds and starlings.
8. Determination of the effect of lethal roost control on populations feeding in an area and on subsequent roosting populations.

ADC Operations

Question: Why, in recent years, have so many persons untrained in animal damage control been placed in top positions in the animal damage control administration and management in the eastern program and the central office?

Answer: The closure of the Service's Area Offices at the end of FY 1982 and the Service's commitment to place Area Office personnel resulted in a number of wildlife biologists being laterally reassigned and broadening their career experience. Although specialized technical expertise in animal damage control is an important factor the Service considers in selecting persons for management positions, the Service also considers other knowledge and skills, such as, coordination, program planning, program guidance, budgeting, material resources administration, staffing, supervision and program evaluation.

Question: State agencies in the southeast have been told that almost no U.S. Fish and Wildlife Service activities in control will occur outside of migratory bird species. Why? The Fish and Wildlife Service people are the only people overall with the training and background to advise on all control problems.

Answer: With the amount of money and manpower available, primary emphasis is placed on those species for which the Service has the greatest responsibility, migratory birds.

Question: Why have related pesticide activities and informational services been transferred to other groups within the U.S. Fish and Wildlife Service?

Answer: To serve the public and protect wildlife in a more effective manner, the Service consolidated several functions, previously performed by several offices, into the Resource Contaminant Assessment Division and the Office of Extension Education.

Question: Why have no steps been taken to assure that animal control materials that are current are readily available to the public, packaged in amounts normally needed, either through commercial sources or through the Fish and Wildlife Service organization?

Answer: The Service has taken steps during the past year to assure that materials are available; however, there have been problems with sources of supply. We have been working with the Department of Transportation to draft new regulations which would change the classification of pyrotechnics that are used to alleviate wildlife conflicts. This will allow easier shipment across State boundaries.

The demand for a product determines business interest in producing animal damage control devices. However, one manufacturer has assured the Service of an ample supply of cracker shells and has stated that additional pyrotechnic devices will be available by June 1984.

Question: Why is the Fish and Wildlife Service trying to reduce the animal damage control program in the field? State agencies in the southeast have been told a study is underway to determine if some field offices are needed. In our State of Kentucky, field personnel numbers have been reduced in recent years and yet the need for the agency's services has greatly increased. What are the objectives and parameters of this study, and the proposed date of its completion? I would like to have a copy of the final study.

Answer: Earlier this fiscal year, the Service's Regional Director in Atlanta, Georgia, reviewed a staff proposal to realign areas of responsibility for animal damage control. The primary objectives of this staff proposal were to channel limited resources toward the highest priority problems and to resolve a problem caused by inadequate funding for field control activities. The Regional Director determined that implementation of this proposal was not feasible and work on the proposal was terminated. No final study report was completed and the Service has no further plans to address this issue.

SUBCOMMITTEE RECESS

Senator McCLURE. The subcommittee will stand in recess until March 20, at 2 p.m., at which time we will review the fiscal year 1985 budget estimates for the Navajo and Hopi Indian Relocation Commission and the Institute of Museum Services.

Thank you very much.

Mr. JANTZEN. Thank you, Mr. Chairman.

Mr. POTTER. Thank you, Mr. Chairman, very much.

[Whereupon, at 12:15 p.m., Thursday, March 15, the subcommittee was recessed, to reconvene at 2 p.m., Tuesday, March 20.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1985

TUESDAY, MARCH 20, 1984

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 2 p.m., in room SD–138, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senators McClure and DeConcini.

NAVAJO AND HOPI INDIAN RELOCATION COMMISSION

STATEMENT OF RALPH A. WATKINS, JR., CHAIRMAN

ACCOMPANIED BY:
HAWLEY ATKINSON, COMMISSIONER
STEPHEN G. GOODRICH, EXECUTIVE DIRECTOR
SUE CRYSTAL, COUNSEL
MIKE McALISTER, ADMINISTRATIVE MANAGER

PREPARED STATEMENTS

Senator McCLURE. The committee will come to order.

This is the time scheduled to review the fiscal 1985 budget estimates for the Navajo and Hopi Indian Relocation Commission and for the Institute of Museum Services. We will begin with the Relocation Commission.

The fiscal year 1985 budget request for the Navajo and Hopi Indian Relocation Commission totals $20,736,000, an increase of $1,953,000 over fiscal year 1984 appropriations to date. Also pending is a fiscal year 1984 pay supplemental in the amount of $22,000.

Commissioner Watkins, it is a pleasure to again welcome you before the subcommittee and to welcome Commissioner Atkinson as well. Your opening statement will be included in full in the record at this point along with the other members. If you would introduce those who are with you at the witness table, we will proceed directly then to the questions.

[The statements follow:]

STATEMENT OF RALPH A. WATKINS, JR.

My fellow Commissioners and I, as well as our staff members, appreciate the opportunity to appear here today. In testifying before you, I would like to present, four policy level statements of the Commission and then ask Mr. Goodrich, our Executive Director, to detail the fiscal aspects of our presentation. Additionally, I would welcome any questions which you might have relative to the Commission's functions.

The policy level statements which I would like to address today are ....

- LAND ACQUISITION FOR VOLUNTARY RESETTLEMENT PURPOSES
- ROAD CONSTRUCTION REQUIREMENTS WITHIN THE FORMER JOINT USE AREA
- DISCRETIONARY FUNDING
- RELOCATION TIMELINE

LAND ACQUISITION

One of the more pressing problems with which we are faced is the one dealing with land acquisition.

The Congress authorized the acquisition of 250,000 acres within the State of Arizona for the resettlement of Navajo relocatees. Last June, the Navajo Tribe identified five ranches which met the guidelines for acquisition and with which the Commission concurs.

Currently, the Commission is involved in the acquisition process of these lands through the exchange of BLM lands. Hopefully, an acceptable, equitable exchange will occur, thereby, making land available for the resettlement of relocatees.

However, the Commission has several concerns at this point with respect to the acquisition process.

The first major concern is .... time. We feel sufficient land is available on the reservation to complete this current fiscal year's relocation of 220 families. However, after those families have been relocated, the reservation will be basically saturated and new land must be available for the balance of the relocatees.

What are the options available to us if a land exchange does not prove to be acceptable to the ranches involved?

- Direct Purchase ....

- Direct Purchase and Trade .... Some ranchers may want cash, some may want land, and some may want cash and land.

The availability of these lands is an incentive for voluntary relocation; the greater this incentive, hopefully, the fewer number of mandatory relocations which will be required.

With this in mind, the Commission would like to call to your attention the possible need for additional appropriations should land exchanges fail to acquire the necessary acreage.

ROAD CONSTRUCTION REQUIREMENTS

The second issue I would like to address is the one of road construction needs within the Former Joint Use Area.

Last July, the Senate Committee on Appropriations asked the Bureau of Indian Affairs to " ... consult with the Navajo and Hopi Indian Relocation Commission to determine how the roads program could be used to enhance the operations of the Commission."

Responding to the intent of that language, the Relocation Commission prepared a Road Requirements Study and presented it to the Bureau of Indian Affairs on January 11th of this year.

The highlights of the report indicated a need for 165 miles of paved roads and 123 miles of improved roadways.

The trafficability of the roads on the Former Joint Use Area during periods of inclement weather is .... atrocious. Rutted, muddied by a minimum of moisture, the current conditions of these roads are detrimental to the relocatees and the relocation process.

One of the major routes within this area and one which has been agreed upon by the Tribes, the Commission and the BIA to be one of utmost importance is the "Turquoise Trail".

With groundbreaking for an initial seven miles occurring in the Fall of 1983, the road links State Route 264 with State Route 160 to the north. This 50 mile segment of road bisects the Former Joint Use Area on a North-South axis. The importance of this road was given further credence when the Governor of the State of Arizona apointed the Turquoise Trail Task Force to provide additional momentum for its completion

The Task Force, comprised of representatives from the Tribes, the Arizona Department of Transportation, the BIA, the Federal Highway Administration, Peabody Coal Company and the Relocation Commission, have been working with the project in hopes of bringing it to fruition through interagency cooperation. For example, the State of Arizona appears willing to accept the road into the State Highway System and provide maintenance for it once it has been constructed and meets state standards.

The BIA has informally estimated the construction costs to be between 40 and 50 million dollars. With this figure in mind, the Relocation Commission is fully supportive of the need and would suggest two possible funding approaches towards the accomplishment of this project.

- Formulate a five year funding cycle with an earmarked 10 million dollars per year within the Interior Department's allocation;

or, in the event this is not feasible

- Formulate a five year funding cycle of an earmarked 10 million dollars per year and allocate it to the Relocation Commission for Turquoise Trail Contruction. The Commission would basically act as fiscal agent and would enter an intergovernmental agreement with the BIA to perform the contracting requirements of the road project.

Whatever funding approach is selected, the need to continue and complete the construction of the Turquoise Trail for the needs of the relocatees is real.

DISCRETIONARY FUNDING

Thirdly, let me address the issue of discretionary funding.

The Commission has been authorized 6 million dollars in discretionary funds starting with FY 81. Discretionary funds over the past three years have been used for a variety of purposes .... social services program enhancement; capital improvements at existing reservation sites; and new lands planning. With the advent of increased relocations, the Commission has intensified its discretionary fund expenditures towards the "brick and mortar" area.

Host communities to which relocatees move are more receptive to receiving these families if the Commission is able to assist with the increased impact of utilities, streets, etc. Additionally, the movement of relocatees into areas where no settlment occurred, requires the provision of water and electricity for their new homesite.

In order to provide for some infrastructure needs, for example, the Commission recently requested the re-programming of 1.6 million dollars of benefit money towards one of these projects so that an adequate site would be available.

I would simply like to assure the Congress that there is a need for the 1.6 million dollars requested in this category so as to enhance the "brick and mortar" aspects of the relocation process.

RELOCATION TIMELINE

Finally, I would like to focus your attention upon our relocation timeline.

In July of 1986, the Commission is required to furnish the Federal District Court, exercising jurisdiction in this matter, a list of those individuals residing on the Former Joint Use Area .... who have refused to be relocated.

Our basic thrust has been to concentrate the Commission's efforts towards minimizing this number. We feel reasonably certain, at this point, the Former Joint Use Area should be basically devoid of voluntary relocatees by July, 1986, assuming land availability. However, there will be close to 2,000 families who will have been certified as eligible and who must still be processed in accordance with the letter and intent of the statute.

According to our estimates, the Commission feels there will be a minimum of 1,863 certified eligible heads of households at the beginning of FY 1985. Assuming a current funding and relocation rate of 220 per year, relocation would be completed by the end of fiscal year 1993.

Fiscal Year	Relocations
85	220
86	220
87	220
88	220
89	220
90	220

Fiscal Year	Relocations
91	220
92	220
93	103
TOTAL	1,863

With a budget cost of $67,000 per relocation, 1,863 relocations will cost $124,821,000 in benefits through the end of FY 1993.

The main concern of the Commission at this time is minimize to whatever extent possible the number of mandatory relocations required after the July, 1986 deadline. However, the Congress should be aware that July, 1986 will not mark the completion of benefit processing.

CONCLUSION

Last year, I concluded my statement with the comment that .... "relocation is moving forward ...." and that we will succeed in our mission. My position and feeling has not changed since my last appearance before you. Rather, my feeling with respect to the successful completion of this program has grown over the year. Through the acquisition of land and sufficient funding, we will achieve the mission which has been given to us.

STATEMENT OF STEPHEN G. GOODRICH

I appreciate the opportunity to appear before this Committee in support of the Fiscal Year 1985 Appropriations Request for the Navajo and Hopi Indian Relocation Commission.

Our funding proposal totals $20,736,000 to be distributed within four operational areas:

- Operating expenses of the Commission	$ 3,236,000
- Incentive Bonus Payments	1,000,000
- Relocation Payments (Housing)	15,000,000
- Discretionary Funds	1,500,000

This level of resources will support the relocation of 220 to 225 Navajo and Hopi Indian families resettling from lands partitioned to the Tribe of which they are not members. This effort is a continuation of our primary programmatic responsibilities initiated in 1977. To date, we have provided resettlement assistance to over 600 families. By the end of Fiscal Year 1984, we plan to have completed the relocation of more than 700 families. This has been, and will continue to be, extremely sensitive and difficult work. Within the resources available to us, we have endeavored to assist families impacted by the court-ordered partitionment of 1978. We remain hopeful that the number of families subject to relocation can be reduced through land exchange negotiations or other accommodations on which the Tribes may mutually agree.

During the last several years, we have attempted to execute our responsibilities within the intent and the imperatives of P.L. 93-531 and its associated Amendments Act, P.L. 96-305. As the Commission's Chairman has noted in his statement, land acquisition remains a critical and necessary component for us to adequately address a final resolution of this problem.

Over the last two years, the Bureau of Land Management has been closely involved in our land acquisition efforts. The Navajo Tribe has identified the most suitable sites available in northern Arizona. These sites will offer humane alternatives to families displaced as a result of the partitionment. The BLM is to be commended for their efforts in assisting the Navajo Tribe and the Commission.

Our formal budget proposal details the specific program objectives towards which we will manage our resources during Fiscal Year 1985. We have also provided workload factors which fairly represent and portray our various internal activity components. Hopefully, this information will assist you in measuring our program. Obviously, we are also hopeful that our resource requests will be viewed favorably.

On an operational level, we will continue to pursue group resettlement initiatives. These extended family and clan support groups provide the necessary stability to Navajo families experiencing the relocation process. From earlier resettlement programs conducted by the Federal government, we have learned that keeping family support groups together is an essential requirement. Our efforts, to date, in this regard, we believe have been successful.

Aside from direct relocation costs, we will continue to pursue and implement viable projects with our Discretionary Fund allocations. During the last two years, we have joint-ventured several construction and development projects with the Indian Health Service, the Navajo Tribal Utility Authority, and the Bureau of Indian Affairs in an attempt to improve the water and electrical facilities in those on-reservation communities absorbing large numbers of relocatee families. This has been particularly true in the Hardrock Chapter area. Beginning in 1983 and continuing through 1985, our plans call for over 100 families to be involved in group resettlement projects in that specific area. The Navajo Tribal government has been cooperative in assisting families involved in this type of on-reservation resettlement through the provision of homesite leases and other necessary assistance. As a policy, the Commission hopes to generate additional on-reservation development projects of the type described herein.

In an attempt to provide improved and cost-effective housing, the Commission has adopted standard, basic construction plans for the replacement dwellings we build. This will enable us to provide high-quality, energy-efficient housing while recognizing realistic cost constraint factors. This effort has been accomplished with maximum local input from those families most affected by our program -- the relocatees.

We are constantly looking for ways to do our work more efficiently. Change and adaptation is the nature of this very difficult and fluid project. We are trying to do the best we can under very trying political and practical circumstances. Again, this is the nature of the relocation program.

For the last seven years, I have attempted through testimony before this Committee to describe the relocation program in an objective manner. I will do so again this year. However, I would respectfully submit that July, 1986 is fast approaching. On that date, voluntary participation in this program by Navajo and Hopi Indian families will cease by law. At our current level of operations, several hundred eligible families will not have received assistance from our agency. Additionally, it is probable that a few families will refuse to move voluntarily from the Former Joint Use Area. The consequences that our Government may face at that time are serious and could be very emotional.

The Chairman of our Commission, Mr. Watkins, has outlined in his statement some significant challenges that confront us on a policy level. Again, I respectfully direct you to Mr. Watkins' remarks regarding land selection, eligibility requirements, timelines for relocation, and possible land exchange negotiations. The essence of the real, practical problems we face are covered very well.

We hope you will join with us in seeking answers and solutions for the challenges we face in assisting families affected by relocation.

Thank you.

STATEMENT OF SANDRA L. MASSETTO

I appreciate the opportunity to submit this formal statement and provide testimony to this Committee regarding the FY 1985 budget request for the Commission.

Congress instructed the Commission that "relocation shall take place in accordance with the relocation plan and shall be completed by the end of five years from the date on which the relocation plan takes effect." The final date will be July 8, 1986. Congress directed the Commission to "take into account the adverse social, economic, cultural and other impacts of relocation." Both are equally important Congressional Mandates.

To complete the relocation by 1986, the Commission can move Navajos from the FJUA into four kinds of areas:

1) Urban Non-Indian Communities;
2) The Navajo Partitioned Lands portion of the Former Joint Use Area;
3) Navajo Communities in other parts of the Reservation; and,
4) Additional lands acquired under the authority of P.L. 93-531, as amended.

Only the first three alternatives have been available to the Commission. As of March 15, 1984, none of the lands the Navajo Tribe selected have actually been acquired; a fundamental consideration to which I shall return.

Most families left on the Hopi portion of the Former Joint Use Area are relatively traditional and less acculturated people. They have resisted moving to non-Indian towns because they did not wish to leave their reservation surroundings and lose the social and economic support of their extended families. These extended families function as "coping units" by providing social and economic support to individuals.

The Relocation Commission staff has observed and documented that serious social, economic, and adjustment problems result with traditional, less acculturated families resettled to non-Indian towns. Relocating such families to urban places does not "minimize to the extent possible" adverse relocation effects as Congress desired.

Some relocatees have moved to the Navajo part of the Former Joint Use Area. From a social and cultural standpoint, these relocations are to a certain extent successful, when relocatees' kin-groups receive and accept them. Nonetheless, there are inevitable negative impacts. Families possessing tribally-recognized occupancy rights already occupy all of the Navajo Partitioned Lands. Current residents, therefore, resent other Navajos who move into their occupancy areas, placing more human pressure on scant resources. This discontent is exacerbated by the construction of new homes for relocatees in existing, impoverished FJUA communities. But, aside from these social impacts, relocating people into this zone has also created serious negative long-range economic impacts. Proposed BIA grazing regulations prohibit relocatees from obtaining grazing permits on Navajo Partitioned Lands. There are very few jobs or other economic opportunities on this small area. Consequently, relocatees moving there will face increased dependency upon welfare and other governmental support in order to survive.

Moving individual relocatees to established reservation communities has not been successful. Such relocations tend to break down extended family support networks. Also, few economic opportunities are available. Unemployment presently exceeds 50% in most reservation areas. Thus, additional relocatees swell the unemployment roles and create social strain.

The only compassionate relocation for traditional Navajos would be on newly selected lands. Any other option clearly seems contrary to the Congressional directive to "minimize the impacts" of relocation. New lands for relocation would permit extended families to move together and maintain their coping systems. Relocatees would remain on tribal trust land. Some could graze livestock. Some could work at jobs within commuting distances from new homes. Such relocations will not, however, be possible by the statutory deadline of July, 1986.

This very undesirable situation stems from delays in acquiring additional lands for the Navajo Tribe. It appears that perhaps two or three ranches the Tribe chose may be acquired during the second half of 1984, and the remainder of the selected lands in 1985. Yet final transfers of land may not be reached during that period.

Even after its acquisition, land must be prepared for settlement. Many families must identify a site and be moved to the new lands. Currently 1,700 families are certified as eligible, with an additional 1,600 applications still pending. There may be 75 to 100 families on the FJUA that would have to be relocated but would not apply during the voluntary relocation period. Up to March 15, 1984, only 570 families have been moved.

P.L. 93-531 additionally requires that the relocation plan shall "assure that housing and related community facilities and services such as water, sewers and roads, schools and health facilities for such households shall be available at their relocation site". Providing such services on newly acquired lands will require a minimum of 24 months for each major unit. Site-specific planning, preparing engineering plans and specifications, contract awarding, and construction will take that long. Units acquired in 1985 cannot feasibly be ready for occupancy until 1987 or 1988 at the earliest.

The 1986 deadline cannot be met if the impacts of relocation are to be mitigated. A resolution between these conflicting Congressional directives must be made. Although I personally recommend extending the deadline, resolving the dilemma does not rest with the Relocation Commission. Only the Congress possesses the power to make such a determination.

INTRODUCTION OF ASSOCIATES

Mr. WATKINS. Thank you very much, Senator. It is again a pleasure to be here. The weather here is almost as good as it is in Arizona.

Senator McCLURE. I will never tell them you said that.

Mr. WATKINS. My apologies for Commissioner Massetto, the Vice Chairman, whose father had a stroke day before yesterday. She is not able to be present.

Let me introduce Hawley Atkinson, a longtime member of the Commission. I would like to introduce Stephen Goodrich, who is our Executive Director, and Sue Crystal, our lawyer.

Our Administrative Manager is Mike McAlister, and it is a pleasure to be with you this afternoon, sir.

RELOCATION DEADLINES

Senator McCLURE. Thank you very much.

By law and according to the Commission's report and plan, the relocation from the former joint use area is scheduled to be completed by July 8, 1986.

Has the Commission established a final date for receipt of applications for voluntary relocation?

Mr. WATKINS. Yes, Senator. The Commission has. It is midnight of that date, sir.

Senator McCLURE. Of which date?

Mr. WATKINS. July 6, 1986.

Senator McCLURE. I thought that is when the relocation was supposed to be completed. Now, you are telling me that that is the time when you are going to begin the process?

Mr. WATKINS. That is correct, sir, and our Executive Director will respond to that because we have had some discussion on that subject.

Steve.

Mr. GOODRICH. Thank you, Mr. Chairman.

So far the Commission has said that the latest possible date to receive applications would be midnight on July 7, 1986. The statutory deadline for voluntary relocation, as you know, is July 8.

Senator McCLURE. Somewhere between midnight and 12:01 a.m., you are going to get the relocation all completed?

Mr. GOODRICH. No, sir.

Senator McCLURE. OK. There has to be some plan in mind, I guess.

Mr. GOODRICH. Mr. Chairman, under our regulations a series of legal notices will be issued to those few families, within the former joint use area, that haven't contacted the Commission and made application for voluntary relocation.

The first legal notice is scheduled to be issued on July 8, 1985, a year ahead of time.

Now, during the last year and a half, we have been working extensively in that area, in cooperation with the Bureau of Indian Affairs, to determine who those people are who have not made application, and who those people are who do not intend to make application. We think the number will be very small.

Senator McCLURE. By all evidence and prior precedent it takes 9 to 12 months to complete the process of an application and relocation. Shouldn't you then establish an application deadline in July 1985?

Mr. WATKINS. Mr. Chairman, we were discussing that this morning, and your suggestion has a great deal of merit. The other Commissioner, who is not present, cannot speak to that, and Mr. Atkinson and I cannot reach a conclusion. We would like some advice and counsel on that issue. It has a lot of merit, and we would like to pursue what you just mentioned to us.

Senator McCLURE. Well, it seems to me that if both the law and the plan say it has to be accomplished by a given date you have the responsibility to set in motion the things that will make it possible for you to comply with that law and that plan.

Mr. WATKINS. We have started some of the compliance that you speak of, Senator, and, Steve, why don't you mention some of the areas that we have already pursued.

Mr. GOODRICH. Senator, I think your primary concern is: Does involuntary relocation begin after July?

Senator McCLURE. That is one of the questions.

Mr. GOODRICH. OK.

Senator McCLURE. Go ahead. I will get back to the other one.

Mr. GOODRICH. Let me try to answer as factually as I can. For the last year, we have had a project in place on the reservation where we have contacted every family currently domiciled on the former joint use area.

It is our impression that the Navajo people, being generally very law abiding, are going to comply with the requirement to contract with the Commission or make application to the Commission well ahead of the deadline.

There are those families, we feel, who for reasons of their own will not contact the Commission and will not make timely arrangements for relocation.

After July 8, we will turn those names over to the Federal court of jurisdiction in Arizona, as we are directed to in the act.

So in a sense, we would wind up with two relocation programs: One, in which the court would determine what action would be appropriate for those families who did not contract with the Commission for relocation.

We would have a second, much larger group of families who had made arrangements with the Commission to relocate.

The best answer I could give you to the specific question that you posed earlier is that we don't think there will be a substantial number of families who refuse to relocate. We are hopeful that things will happen during the next 2 years and 3 months to alleviate some of the problems that we share your concern with now.

Senator McCLURE. The original regulations required the Commission to contact all relocatees who do not voluntarily contact the Commission "as soon as practicable after 30 days from the date the relocation report is submitted to the Congress."

Current regulations require the Commission to make such contact "as soon as practicable following the effective date of the relocation plan."

The plan was submitted to Congress on April 8, 1981. To date, no such contact has been initiated by the Commission, and the 1983 update says that this provision is under study by the Commission staff.

Have you any estimate of the number of households who have not yet voluntarily contacted the Commission?

Mr. GOODRICH. Mr. Chairman, we have been working closely with the Bureau of Indian Affairs who have concurrent activities in the geographical area that you are talking about. As best we can determine, based on the family contacts that they have made during the last 14 to 15 months, and the family contacts that we have made, the number is small.

As best we can determine, the number of families who have indicated an unwillingness to contract with the Commission in a timely manner, is somewhere between 50 and 65 families.

Mr. WATKINS. Mr. Chairman?

Senator McCLURE. Yes.

Mr. WATKINS. In relation to that question, some new information exists that I think the chairman should be knowledgeable of. It might impact some of the further statements you have.

As of 2 weeks ago, the Hopi Nation has given to the Navajo Nation a proposal for land exchange. This has not been out in the press, and you are the first to know of it except for Senator DeConcini and Senator Goldwater.

They are in the process of negotiating. The Commission is closely observing and watching. This will impact the 65 or 70 families that he just spoke of because they are located in the Big Mountain area.

Senator McClure. And you think it is worthwhile to change your earlier plans and allow a little more time for that process; is that what you are suggesting to me?

I don't want to put words in your mouth, but I want to understand what it is.

Mr. Watkins. Yes; I understand what you are saying, and you are asking me directly if I think that we should have a little more time.

Senator McClure. Yes, sir.

Mr. Watkins. I would say, yes, sir.

Senator McClure. Because it sounds to me like you are planning to take more time. I am trying to find out why you are planning to take more time.

Mr. Watkins. Well, Senator, I have learned a great deal, and I am learning more every day, and this is a Commission which I find has to go 1 day at a time to find out where we are going and which step we are supposed to take next.

Senator McClure. As Commissioner Atkinson would know, he is not new at it, and I suspect you can talk with him. I have told him before that I didn't think the appointments to the Commission were intended to be lifetime appointments.

Mr. Watkins. That is exactly the way I understood it when I came aboard, sir, and I understand that we are supposed to go out of business as soon as possible, and we are sure trying.

Senator DeConcini. Would the chairman yield on that subject matter? I don't know how much time we are going to take, but I would like to ask a question if the chairman would permit.

Senator McClure. Yes.

LAND ACQUISITION

Senator DeConcini. Mr. Watkins and gentlemen, ladies, the 1980 amendments to the Relocation Act provide that the Navajo Tribe would acquire 250,000 acres of BLM land within 18 miles of the existing reservation to be used "solely for the benefit of the relocatees." The 1984 act established a deadline for completion of the program of 5 years after the submission of the report and plan which is July 1986. The tribes selected land in June 1983, leaving 3 years to acquire, plan, develop, and resettle relocatees on the land.

Will it be possible to make the land available for relocation by the deadline? That is really the question, is it not?

Mr. Watkins. Senator DeConcini, good afternoon.

Those five ranches you speak of are the Spurlock, Roberts, Fitzgerald, Kelsey, and Wallace ranches. They comprises 220,000 acres.

We have been assisting the tribes as much as humanly possible to acquire these ranches. At the present time, we are working with the BLM, which has been very helpful. On two of the five ranches selected by the tribes, we are doing appraisals and they expect the other appraisals to be completed shortly. We haven't got an inch of ground yet, Senator.

Senator DECONCINI. Excuse me, Chairman Watkins, but isn't it correct that under your mandate, it is a relocation deadline of 5 years after the submission of the report and you have to have the land before the 5 years could start totaling?

Mr. WATKINS. May I refer to our attorney to answer that question properly, sir?

Senator DECONCINI. Then the chairman's point is: Well, if you don't have the land, you can't have the plan. The date of 1986 is upon you.

The question seems to me very clear that under the law failure of land, failure of plan, you are not going to be ready to have finished this by 1986, and I think it is very important that we know if that is the position of the Commission.

And then, of course, the obvious question is: Why, besides not having the land or the staff or whatever else you might need, so someone could say yes or no, that that is the problem.

Maybe I have the wrong information.

Mr. WATKINS. Mr. Chairman, Senator, may I ask our attorney to respond, and then I will follow it up after that.

Go ahead, Sue Crystal.

Ms. CRYSTAL. Thank you.

As to the policy issue, I will certainly defer to the Commissioners on that. However, as to the legal situation in terms of land acquisition, we are at a point now where under the terms of the 1980 amendments, the Navajo Tribe was given 3 years to select the land which they complied with; final land selection being made in June 1983.

Immediately upon the selection of that land, the Relocation Commission began working with the Bureau of Land Management to acquire that land. We have done extensive survey work on that land already to try to have as much information available as possible to help us begin to plan.

When the 1980 amendments were passed, the conference committee which you are a member of, expressed in its committee report the following intent, and that is: The conference committee has identified the issue of resettlement lands for Navajo relocatees as the single most important factor in easing relocation.

That is a commitment that we take very seriously at the Relocation Commission. The problem is that at this point the acquisition process, as delineated in those 1980 amendments, is extremely cumbersome, and we can certainly go into detail on that if you would be interested in the process.

But we do not have an acre of land yet. When those amendments were passed, nothing was done to amend the deadline. The deadline date was established in the 1974 act based on a 5-year timeframe from the submission of the report and plan. The land was not envisioned at that time as being acquired for the benefit of the relocatees and as an important key in the program.

I think the intent of Congress changed, as expressed in the amendments, and we are basically facing a situation where we have people with no place to go. We are at present moving people in compliance with the directive of Congress, and we are moving them basically onto the existing reservation, which is already very overgrazed and overtaxed at this point.

We are moving people to those areas in which they get homesite leases. The people who can get homesite leases tend to be those people who have family or clan relations on the other part of the reservation. We will run out of homesite leases in a very short period of time, and we will have no place to put these people.

Moving to the other communities such as Flagstaff, Winslow, or Holbrook, as you know, has not been terribly successful, so we are in a bit of a catch–22.

Mr. WATKINS. I am prepared to answer.

Senator DECONCINI. If you will continue to yield on this particular part, Mr. Chairman.

I take it from what you are saying that because of the 1980 amendments not addressing the ultimate date of conclusion that was in the original statute, that you are not going to be able to comply with the 1986 termination?

Mr. WATKINS. That is correct, Senator. I was just going to say the answer to your question is "no."

RELOCATION DEADLINE

Senator DECONCINI. From there I think it is important to note why, and what have you, but I think it is important that it be on the record. I don't want to see this Commission extended. Personally, I would like to see it ended.

I like your philosophy, Mr. Watkins. You went on there to finish this job, to get out of the job, and that was one of the reasons I was so happy to see you on there, and I would like to see that happen.

But the reality of it is because we have changed the rules in the middle of the game and we did not extend the fourth quarter, that you are not going to be able to succeed in coming to that date?

Mr. WATKINS. Senator, Sue mentioned the fact that we are going to run out of land by the end of this year, and I don't think we will have any land to move to.

And, once again, I think the answer to your question, is the land going to be available? No. Will it be finished? No.

Senator DECONCINI. Thank you, Mr. Chairman.

Senator MCCLURE. Well, I am a little troubled because being a little further away, perhaps I am being less diplomatic as well as being less knowledgeable. [Laughter.]

Well, I understand all of that. That is why I said it that way. We are in the midst of all of this process to change the program, but we did it because you weren't getting anything done, and we did it to try to accelerate that process, and now I think it is fair to say that Congress moved because we thought you weren't—and I don't mean you personally. I mean you as a commission. It is a terribly difficult question that you are dealing with. It is a terribly difficult process through which you have to go, and I think I am sympathetic to that.

But I also know the tendency on the part of the people who deal with the BIA, to allow the BIA to set the schedule, and if they set the schedule nothing ever happens.

And if you are dealing with the Indian tribes, you deal on Indian time, which is when they get around to it.

And if you are now dealing with the BLM and you are trying to get some land away from them, you are not going to get any land away from them in their lifetime if they can help it.

Putting those three things together, if we don't have some kind of action-forcing mechanisms with some deadlines in here that mean something, you won't live long enough to see it happen.

Mr. WATKINS. Senator, are you through, sir?

Senator MCCLURE. No.

Mr. WATKINS. Go ahead.

Senator MCCLURE. No; really I would like your comments.

Mr. WATKINS. I agree, but I can't say that you are altogether correct, sir, that nothing has been happening lately because this Commission has been moving forward on several fronts as fast as is humanly possible and stayed as much as we can out on the reservation to be with the tribes.

We have been negotiating with both chairmen frequently. We are very excited with this new development where they are talking. The Commission is going to try to fund some of that conversation. We think that is a big step forward.

We have been working with them on the roads. We have been working with them on many fronts, Senator, and I feel very good about what has been going on the last year and a half.

Senator MCCLURE. Well, I guess I was a little startled at the outset. When you have a deadline to meet and you don't plan to close applications until midnight of the day before, it means you plan to accomplish everything in an infinitesimally small period of time, less than 1 second if you are going to comply with the law.

Now, if you are not going to comply with the law, then I think you have a duty to come forward to us to tell us why not and what it is that you need and ask for relief from the provisions of the law rather than coming here and saying you don't intend to comply with that or you intend to set up deadlines that make it impossible for you to comply with it.

I think you will find this committee reasonably sympathetic if, as a matter of fact, you have adequate reason and a basis for your request and you make a reasonable request.

But if you come in and the first thing we see is kind of a thumbing of your nose to the Congress with respect to deadlines established in law, I suspect that you will see a mirror image.

Mr. WATKINS. Mr. Chairman, if I have given you that impression. It was not intentional, and I apologize, sir.

Senator McClure. You didn't leave me with that image. I got it with respect to a completion date of July 8, and you are going to close applications on midnight of July 7.

Now, on the face of it that is impossible, isn't it?

Mr. Watkins. Yes, sir, and I think, Sue, you had better address this problem.

Senator DeConcini. Mr. Chairman, would the chairman yield on that point?

First, let the record show that the chairman of this committee has been extremely sympathetic and has bent in every direction to fill the request, sometimes more than even the junior Senator from Arizona, and I think that is very clear.

So I am sure the Commission members can realize his inquiries are not meant as hostile to the idea, but hostile to the presentation of the plan.

Senator McClure. You are indeed diplomatic, and I appreciate that.

Senator DeConcini. No; that is very true, Jim, and I mean that.

What really we are faced with here, the question I would like to follow up with that the chairman is asked: Is it possible to accelerate that date, the last date to receive the applications any sooner than July 7, 1986?

That is No. 1.

Mr. Watkins. Yes, sir.

Senator DeConcini. Now what date might that be? What do you need to accomplish a sooner date?

Ms. Crystal. We have had discussions on the staff level about a date for deadlines, and it would be my estimation that, given the length of time that it has taken to process clients, it would need to be, at a bare bones minimum, 9 months prior to that date.

Senator DeConcini. OK, let's start from there.

Ms. Crystal. I think it is accurate to say that the Commission has not developed a deadline policy.

Senator DeConcini. Let's just take hypothetically that it was 9 months before 1987, July 7.

In that case, what kind of additional expenses would you suggest that would be reasonable past July 7, 12 midnight, 1986 for the whole thing to be over with?

Ms. Crystal. I think—I can't give you an absolute date because of the land acquisition process. However, were we to receive assistance from this committee, not necessarily in dollars but assistance in terms of direction to BLM, which this committee also has jurisdiction over and which we are most grateful for, we would be able to expedite the process for acquisition which we are currently undergoing, and we would be most happy to ask staff about the possibility of doing that.

Were we to have the time——

Senator DeConcini. You can't give me a hypothetical time if you extend one—shorten one 9 months, can you shorten the other one 9 months or add 9 months, or would you need 1 year?

Ms. CRYSTAL. As I said, it would depend on, No. 1, the total number of applications that were received by the deadline date, how many of those are eligible, which we don't have.

Senator DECONCINI. Mr. Chairman, it seems to me that one legitimate approach is to ask this Commission right here while we are meeting with them to submit to us in writing what those dates would be.

Senator MCCLURE. Yes.

Senator DECONCINI. And to ask them to do it in a very expeditious manner, in a few weeks, so we could look at it before our markup and have some amended testimony here so we could be a little bit better able to make a judgment.

Senator MCCLURE. We can be of most help to you if you will provide us with a legitimate request based upon good information.

And before you answer that question, or comment, with respect to this suggestion, I want to refresh my memory and ask you if these facts are correct.

I think to date you have moved about 560 or 565 households?

Mr. WATKINS. Senator, at the end of this year we will have moved over 700 families.

Senator MCCLURE. Well, I am speaking as of this date.

Mr. WATKINS. As of this date, I would say about 600. Is that correct, Steve?

Five hundred and seventh-five. OK.

Senator MCCLURE. You have 1,200 pending applications which you have had since prior to July 1982?

Mr. WATKINS. Yes, sir.

Senator MCCLURE. If I understand you, you expect between now and the end of the year another 125 of those 1,200 completed?

Mr. WATKINS. Yes, sir.

Senator MCCLURE. That will leave you at the end of this year with some 1,075 that have been pending since prior to July 1982?

Mr. WATKINS. That is correct, sir.

Senator MCCLURE. That, Senator DeConcini, is part of the factual base. That is a little frustrating. I think there are some reasons for that, and I think that's one of the reasons why I asked the questions that I've asked with respect to deadlines. I think Senator DeConcini's suggestion that you submit to us very promptly a detailed written report of what you need and when you need it and what kinds of deadlines you think you can achieve in your lifetime and mine.

Mr. WATKINS. Mr. Chairman, that's very refreshing. And I am delighted to hear you say that, because we'll certainly comply with that. But, when you're speaking of these figures, Mr. Chairman, there's about 260 families left on the joint use area and the Commission fully intends to comply with what the Commission has been saying all long that the joint use area will have moved out of there by 1986.

Senator MCCLURE. That's one of the toughest issues, but it's not the only one.

Mr. WATKINS. No, sir, it sure isn't.

Senator MCCLURE. Senator DeConcini said these are friends of mine, and I think the record should reflect that I have long known Mr. Atkinson. I think I've stated this before. He was a resident of Idaho, where he was a very well respected man. He was not driven out of Idaho nor was he chased out. [Laughter.]

He left voluntarily and settled where he is, voluntarily.

Senator DECONCINI. The same thing is true in Arizona, Mr. Chairman.

Senator MCCLURE. So I claim a friendship there that goes back many years, and I don't mean to belabor that point. We want to be helpful, but at the same time, we want the job done.

Senator DECONCINI. Can we ask for a time certain?

Senator MCCLURE. When can you get a report to us?

Mr. WATKINS. Immediately, if not sooner, we'll try to comply. While we're on the Hill, we'll try to get a draft for you, Senator.

Mr. WATKINS.

Senator DECONCINI. Two weeks?

I see your attorney saying 2 weeks.

Ms. CRYSTAL. We don't have the numbers with us.

Mr. WATKINS. We'll get it done as fast as humanly possible.

Senator MCCLURE. Fine. A somewhat longer time than from midnight to 12:01 a.m.

Mr. WATKINS. Thank you, Senator.

DISCRETIONARY FUNDS

Senator MCCLURE. I have just a couple of other questions that need to be asked at this time. I'll submit some others for the record.

Last week the Commission submitted a proposal to reprogram $2,390,000 from housing benefits to discretionary funds, bonus payments, and operation of the Commission. The authorization for discretionary funds states that the money be used to match or pay, not to exceed 30 percent of grants and contracts, which would assist the Commission or either tribe in carrying out the burdens imposed by relocation. The second provision allows participation of up to 100 percent of the costs in demonstration efforts to employ innovative energy or other technology in providing housing, related facilities, and services in the relocation and resettlement of individuals.

Your regulations mirror these provisions. The keys are that assistance to host communities is limited to 30 percent, and that the 100-percent funding is for innovative technologies for individuals relocatee housing. As part of the reprograming, the Commission proposed to fund 100 percent of the renovation costs of 100 existing Navajo homes in Hard Rock. Based on available information, this project seems to be subject to the 30-percent limitation.

Have you a different interpretation of the law?

Mr. WATKINS. I'm going to ask Mr. Goodrich to respond to that. Steve?

Mr. GOODRICH. Mr. Chairman, I wish I had a map or an easel that I could put a map on to try to show you some of the logic behind the project that you're referring to.

Senator McCLURE. I used to get into trouble, when I first was practicing law, and I used to go before the judge and argue what the law is. Then I got involved in the State legislature, where I was making laws, and then I found myself going before the judge and arguing what I thought the law ought to be. The judge was singularly unimpressed, because he thought our job was to present to him and his job was to apply current law.

I only interrupt you to make that statement, because it seems to me you're about to tell me what you think the law ought to provide rather than answering my question as to what the law does provide.

Mr. GOODRICH. I'll try to answer within the spirit of your remarks, Mr. Chairman.

Senator McCLURE. Thank you.

Mr. GOODRICH. The Hard Rock project, which you pointed out to us a moment ago, is a component which provides plumbing wall or installation to 150 existing houses in the Hard Rock area. This is an area, that we're moving 100 relocatees into over the period of the next 3 years. We've already initiated the first housing construction, in cooperation with the Indian Health Service. This is a project of cost sharing. We're possibly in a position where we may have interpreted too broadly through our regulations the intention or the spirit of the Amendments Act relative to the discretionary fund. We have discussed this matter with the committee staff, and I believe Ms. Richardson posed a solution which we find very acceptable. If this is statutorily the responsibility of the Indian Health Service to provide these types of services, we would like to take you up on your earlier offer to help us with some of these other agencies. We don't necessarily have to do it with our funds.

Senator McCLURE. Well, that told me what you hope to accomplish. It didn't tell me what you think the law is.

Did I incorrectly state the provision of the law with respect to the 30-percent limitation?

Ms. CRYSTAL. No; you didn't, Senator. There is a 30-percent limitation on projects.

Senator McCLURE. And that 30-percent limitation is on everything but the innovative technologies; is that correct? Is indoor plumbing, an innovative technology?

Ms. CRYSTAL. On some parts of the Navajo Reservation, it is.

Senator McCLURE. Is a water source an innovative technology?

Ms. CRYSTAL. I believe I would make the same answer to that question. The situation is such that the law says innovative energy and other technologies to assist in providing housing and related facilities and services in the relocation and resettlement of individuals. And that is what we are doing.

Senator McCLURE. You're providing indoor plumbing and water.

Ms. CRYSTAL. Yes; in cooperation with the Indian Health Service.

Senator McCLURE. You say it's an innovative technology? You've got to be kidding me|

Ms. CRYSTAL. Under the terms of the regulations as developed under previous counsel to the Commission, those regulations would allow for that kind of project.

Senator McCLURE. Well, I'm sure you're more familiar with the regulations than am I, but I'd invite you to read back again, subsection 700.459, the end of subparagraph (a), in which it mirrors the statutory language—"innovative energy or other technologies in providing housing and related technologies and services in the relocation and settlement of individuals under the act."

That's the regulation. That's not the statute, although it almost perfectly mirrors the statute, and I think you have to be really stretching to try to say putting indoor plumbing or basic water services is innovative technologies, either within the meaning of the statute or the regulation.

Ms. CRYSTAL. One other thing I might point out is that the original language of the 1974 act mandates the Commission to provide—and I am not talking about the nonrelocatee houses—mandates the Commission to provide water, sewer, and sanitation systems for relocatee houses.

Senator McCLURE. But that predates the addition of the discretionary fund, does it not?

Ms. CRYSTAL. Yes; it does.

Senator McCLURE. And the language with respect to the innovative technology and the 100-percent grant came in that later enactment, did it not?

Ms. CRYSTAL. Yes, sir, it did.

Senator McCLURE. Again, we wish to be helpful, but I think you're stretching here, and if we can help Indian Health Service, certainly we'd be glad to do whatever is a legitimate effort on our part to help do that, but I don't think you can stretch that to cover the 100-percent funding under the discretionary fund. I hope you would revise your estimates and your plans on that basis.

I do have some other questions with respect to the proposed regulations, the definitions of household, the application of which might lead to some expected attempts to abuse the intent of those regulations, at least in my opinion, but I'll submit those for the record, rather than taking the time to do that now. I also have some other questions that I will submit for your response in writing. We will appreciate your response as early as possible.

HOUSING RESALES BY RELOCATEES

Senator DeConcini, do you have further questions?

Senator DECONCINI. Mr. Chairman, I do. I will follow the lead of my chairman and submit several followup questions on the time allocation that we had some discussion.

I do have one area that I'd like to delve into, Mr. Chairman, with the Commission members. In recent weeks, there's been some attention focused on the problem which relocatees are experiencing, specifically with regard to loss of the replacement house which the Commission purchased for them. According to various reports which I have receive, there appears to be a very real problem with some of the circumstances under which the relocatee families are losing their replacement homes. The Commission is no doubt familiar with the nature of this problem. In my view, if even a small portion of the cases being reported are, indeed, true, we may have a tremendous problem which the Commission ought to address as part of its responsibility to carry out the Public Law 93–531.

The Government through the Commission has a responsibility to minimize the adverse social, economic, and other hardships and impacts of relocation on families who are involved in adjusting to giving up land and a way of life, in order to comply with the Federal law which requires the use of relocation to resolve a longstanding dispute. Knowing what some of those families are losing, their replacement and the problems that will arise from relocation, is enough for the Commission to take a serious look and identify ways to address these problems.

I want to know just what the Commission has been doing to help families along this line.

Let me just ask the first question. In the Commission's budget request in jurisdiction, under program objectives, you indicate that a total of 534 families were voluntarily relocated by the end of fiscal year 1983.

How many of these families have continuing ownership of replacement homes at this time? Can anybody give us this information?

Mr. WATKINS. Senator, we have a three-page document that we have here with us relative to that, if we can submit it to you. And it has up-to-date, current status of that issue. The Commission is well aware of some of the things that have happened to some of the relocatees and their homes. We're aware of some problems—particularly in the last 3 weeks, we've gathered data relative to that and have submitted it to the U.S. attorney in Phoenix.

Senator DECONCINI. Out of that report, is it impossible to dig out how many of the families have continuing ownership of replacement homes at this time?

Mr. WATKINS. Do you have that information available, Steve?

Mr. GOODRICH. Senator, I'm sorry, I couldn't hear the full question.

Senator DECONCINI. How many of these families of the 534 familes that I've mentioned, at the end of fiscal year 1983 have gone into the voluntary relocation, how many of the families have continuing ownership of replacement houses? Do you know that, or can you supply it?

Mr. GOODRICH. Yes, I do. As of the end of fiscal year 1983, 78 families no longer own the homes that have been provided to them in previous years.

Senator DECONCINI. Now of the families who no longer own replacement homes, can you provide me with the information on where they're initially relocated to, where these families went after they relinquished the ownership of their replacement home?

Mr. GOODRICH. Yes; we can provide that information, Senator. When we did the analysis of this at the close of the fiscal year, it turned out that around half of those families had subsequently acquired home site leases on the reservation, and from the proceeds of the sales of their homes off reservation, they used the sale proceeds to build on reservation. The other half, for a variety of reasons, financial problems, medical problems, are living off the reservation.

Senator DECONCINI. Can you also supply us—of the families who no longer have their Commission-acquired houses but have chosen to stay on in the off-reservation communities, can you tell us what kind of housing they've arranged for themselves? Do you have a tracking system for that?

Mr. GOODRICH. I have to tie that answer to an earlier question, Senator, just for clarity, if I may.

The concern you have, I think, is the result of some recent publicity relative to possible questionable real estate practices in certain parties acquiring homes from relocatees after we have resettled them. And I would go to the postulate that our chairman has given, which is correct. We have worked with the tribes' justice department to put together that list; as many factual situations as we can.

Senator DECONCINI. Well, I'm not really asking about the investigation that's involved. What I'm asking is whether or not you have a tracking system and the available resources to determine some answers to these questions, regardless of whether or not there's anything wrong or not.

Ms. CRYSTAL. Yes; we do have a tracking system to monitor that. In addition, we have instituted within the last month a deed restriction process, whereby in all of the real estate contracts that are signed between the Commission and the relocatees, there will be a restrictive clause which states that prior to the sale, encumbrance, et cetera, all the legal jargon, the relocatees must consult with the Relocation Commission, and there must be a written record of that consultation. Our hope is that we will be able to then identify those questionable practices and be able to identify—advise the relocatees, not only on the nature of the offer being made to them, but provide them with some alternatives to that offer.

Senator DECONCINI. What about this—excuse me. Let me ask you this question. Does your tracking system and information indicate who's acquiring your replacement houses, which are leaving the relocatee ownership? Do you know who is buying these houses?

Ms. CRYSTAL. Yes, we do; in most cases, have that data, sir.

Senator DECONCINI. Well, Mr. Chairman, I could go on at some length here, but I think I would respectfully ask the Commission and its Chairman and counsel to specifically answer several questions I have here, because it would help me understand the problem and also to feel more comfortable or less comfortable, as the case may be, as to what is happening to these relocatees. Thank you.

ELIGIBILITY REGULATIONS

Senator McClure. Thank you very much. We'll look forward to the answer to those questions, and I hope in answers to the questions which I will submit that deal with revised regulations on qualifications dates, that you can provide for me the rationale for the changes that the Commission has under consideration. I'll be very specific about my concern. You will, by changing qualification date and the standards of qualifications, extend qualification to individual households to a great number of people that would not be qualified under existing regulations, am I not correct?

Mr. Watkins. That is correct, Senator.

Senator McClure. And if that is correct, I think we need to know why you make that proposal and what the justification is, because the taxpayers are going to be asked to pay something here. It's nice to be generous with other people's money, but you better be able to justify it.

Mr. Watkins. Mr. Chairman, we concur. May I make a quick statement relevant to that? The staff met with OMB yesterday, and there are some concerns that the Chairman, myself, the Commission members, and Mr. Atkinson, have at the present time. Our plan is to meet with OMB tomorrow, and I truthfully think we may have erred. And we're going to find out for sure tomorrow.

Senator McClure. Thank you very much, Chairman Watkins. Commissioner Atkinson, it's very nice to have you before us. We wish to be helpful, primarily, to get a very tough job done, in which we have some very real responsibilities for some people who, for one reason or another, depend upon us to make the right decisions for them.

At the same time, we also have a responsibility to the taxpayers to see that is done, expeditiously and economically.

ADDITIONAL COMMITTEE QUESTIONS

Mr. Watkins. We concur wholeheartedly, and being in business, I want to do it the same way you want to do it, Mr. Chairman, and we will comply. And thank you for your assistance, and we will get those directives to you, and answers, as quickly as possible.

Thank you very much.

Senator McClure. Thank you.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

Additional Committee Questions

Question	What kind of progress is being made in acquiring the land selected by the Navajo Tribe?
Response	As of March 31, 1984 none of the lands selected by the Navajo Tribe had been acquired. At the present time it is projected that two ranches may be acquired in the latter part of 1984 and that the other three ranches will be acquired in 1985. A number of factors may affect the schedule. These are discussed in detail in our Land Acquisition Report dated 4-15-84.
Question	It is understood that most of the ranchers who own the selected land want cash in addition to land. The Federal Land Policy and Management Act, and the Navajo-Hopi Relocation Amendments, provide for 25% of values to be equalized with cash. Wouldn't the land acquisition be facilitated by using cash to equalize values? What is the estimated value of the ranch lands and subsequently the cost of 25% equalization?
Response	Yes. Land acquisition would be facilitated if up to 25% of the value of the lands could be equalized with cash. The cost of the 25% land equalization would be about $4,500,000. This cost is based on the assumption that the value of approximately 165,000 acres of fee land (excluding high value fee land near interchange) would be about $18,130,000.
Question	Some of the selected land contains motels and highway interchanges and is relatively high in value compared to the ranch land being selected. Most BLM land is like the ranch land and not high in value. There have been problems in the past when small acreage, very high value properties have been proposed for exchange for large acreages of public land. What would it cost to purchase outright the high value properties selected by the Navajo Tribe?
Response	The cost to purchase the high value land near the interchanges would be about $4,300,000.
Question	The BLM budget request for 1985 is similar to that of 1984 and anticipates acquiring 50,000 acres. We understand that the ranches and the Navajo Tribe are anxious for the acquisition to be accelerated in 1984 and 1985. What would be the additional costs for the various clearances, reports and other activities to be initiated in FY 1984 and be completed in 1985?
Response	The cost of additional reports and clearances would be about $800,000. This includes the cost of title search and insurance, archaeological clearances and appraisal of private ranches and exchange parcels.
Question	Involuntary Relocation The original regulations required the Commission to contact all relocatees who do not voluntarily contact the Commission "as soon as practicable after 30 days from the date the relocation report is submitted to Congress." Current regulations require the Commission to make such contact "as soon as practicable following the fourth year after the

effective date of the relocation plan." The Plan was submitted to Congress on April 8, 1981.

To date, no such contact has been initiated by the Commission, and the 1983 Update says that: "This provision is under study by Commission staff."

What is the focus of the study of the Commission staff with respect to this provision?

Response Current plans call for the Commission to provide legal notification to individuals who have not applied for voluntary relocation assistance. These notices were to have been issued in July, 1985. However, if an application deadline of July 7, 1985 is established the Notification Schedule, in the Commission Regulations, will have to be moved back one year.

During the last two years, the Commission, through a public information program, has contacted most of the families who have not submitted relocation applications to advise them of the program and the present deadlines. This activity will continue.

Question Have you determined what "as soon as practicable" means?

Response The members of the Commission are currently reviewing staff recommendations and the proposed notice schedules and should reach a decision shortly.

Question The Hardrock project would provide improved or first-time water service to 155 homes, 19 of which would be for relocatees. The total cost of the project is $1,490,000 of which the Commission proposes to pay $1,100,000. Giving you the benefit of the doubt that there is something innovative in the provision of water to homes, our calculations show that the Commission should pay a total of $629,525 which includes 100% of the costs for the relocatee housing in Phase III and 30% of the costs for the remainder of Phase III and for Phases I and II.

What would be the impact if we approved the reprogramming only to the level of $630,000 for the Hardrock project?

Response Reprogramming at a lower level than requested for this project would delay completion by one to two years, if funding is to be provided in later fiscal years.

Question $250,000 is proposed to be reprogrammed to land acquisition activities. Do you plan to use any of these funds for cash equalization payments which may be required as a result of land exchanges?

Response No. The Commission does not plan to use any of the reprogrammed funds for cash equalization payments. Under the 1980 Amendments (P.L. 93-605), BLM has the authority to make such payments, not the Commission.

Question For the record, please provide a detailed breakdown of the proposed uses of the $250,000.

Response We plan to provide "Not to Exceed $230,000" to the Bureau of Land Management to support archaeological clearances required under the Cultural and Antiquities Act on land selected for exchange purposes.

"Not to exceed $20,000" will be used to underwrite additional appraisals as required.

Question In January of this year, the Commissioners voted to adopt some rather significant changes to existing regulations. While I understand that these changes have not been cleared by the Office of Management and Budget for submission, I would like to discuss the proposed changes and the impact of what appears to be a further expansion of benefits.

Under current regulations, a single person may be considered to be a "household" if such person is a custodial parent and is actually supporting himself and his family or a single person who has actually maintained and supported himself on and since November 12, 1975. The proposed changes would allow for a single person to be considered a household if he supported himself not later than July 7, 1986 or if he attained the age of 18 by July 7, 1986.

An eleven year relaxation of the standards is certainly significant. What is the rationale behind this proposed change?

Response After careful deliberation, the Commission determined that a re-evaluation of the regulations was appropriate. This assessment and analysis will be completed by May 15, 1984. Until then, the Commission wishes to defer any specific response regarding elements of the regulation or their specific impacts.

Question It would obviously be to the benefit of any family with a child of 16 to wait two more years before applying for benefits, so that the child could be considered a separate household. Do you have any estimate of the number of additional individuals who would meet the definition of "household" under these proposed changes?

Response Sufficient data to answer this question does not exist at this time.

Question The law states that "no payment shall be made...to or for any person who, later than one year to December 11, 1974, moved into an area partitioned...to a tribe of which he is not a member." Has there ever been any discussion that the term "moved" might also include any children born after December 22, 1975?

Response After careful deliberation, the Commission determined that a re-evaluation of the regulations was appropriate. This assessment and analysis will be completed by May 15, 1984. Until then, the Commission wishes to defer any specific response regarding elements of the regulation or their specific impacts.

Question Another part of the proposed changes states that "Individuals who are determined to be members of a household which received benefits on the basis of their membership, are not entitled to receive separate benefits." As no additional benefits are provided for households of more than

4 persons, there seem to be some far reaching consequences of this section coupled with the change we have already discussed.

For example, take a two-parent family with four children. A case would be made that only two children were actually counted for the purposes of relocation benefits, therefore if the other two children reach the age of 18 by July of 1986, each would be eligible to receive separate relocation benefits notwithstanding the fact that their family may have been relocated for years.

Is such a scenario possible if the revised regulations take effect?

Response After careful deliberation, the Commission determined that a re-evaluation of the regulations was appropriate. This assessment and analysis will be completed by May 15, 1984. Until then, the Commission wishes to defer any specific response regarding elements of the regulation or their specific impacts.

Question Is there anything that would prohibit the amendment of more than 2,000 applications currently on file for which eligibility has yet to be certified so as to take advantage of the more liberal "household" test proposed by the Commission?

Response Agency policy is such that once applications have been completed and submitted they are final and cannot be amended.

Question If a minor female has a child and the father of that child is a minor male, they each have a child of his/her own. Are both then entitled to be counted as separate households, notwithstanding the fact that neither may be self-supporting nor "emancipated?"

Response After careful deliberations, the Commission determined that a re-evaluation of the regulations was appropriate. This assessment and analysis will be completed by May 15, 1984. Until then, the Commission wishes to defer any specific response regarding elements of the regulation or their specific impacts.

Question Again, the proposed regulations require only that such child be born by July 7, 1986. Do we really wish to provide a financial incentive for out-of-wedlock births, or for parenting by minor children through federal regulations?

Response After careful deliberation, the Commission determined that a re-evaluation of the regulations was appropriate. This assessment and analysis will be completed by May 15, 1984. Until then, the Commission wishes to defer any specific response regarding elements of the regulation or their specific impacts.

Question As part of the action on the fiscal year 1984 Appropriation bill the Senate added $5 million to allow the payment of benefits to those who had relocated, but had yet to receive benefits. How much of that money has been spent to date and for how many households?

Response	To date, the Commission has obligated $2.3 million dollars for 36 households which fall into this category under fiscal year 1984 authority.
Question	An increase of $704,000 is requested for the Operation of the Commission, which amounts to a 28 percent increase over 1984 appropriations to date. I understand that prior year expenditures in this area have been understated. How do your actual expenditures for this activity relate to those that have been provided in prior justifications?
Response	Prior year expenditures in the Operation of the Commission category have not been understated. They were however, split between this category and Advisory Assistance payments until the 1983 Budget Submission. The agency underestimated 1983 needs for Operation of the Commission, by approximately $200,000. This shortfall was compounded for the 1984 projections and additionally, the agency's increase in FTE and contract requirements caused the 1984 Operation of the Commission requirements to increase. For that reason, the Commission currently has a reprogramming request before the appropriations committees in the amount of $638,000. Assuming approval of all or part of the reprogramming the actual increase for fiscal year 1985 should be proportionately minimal, (less than 200,000)
Question	The fiscal year 1984 justification stated that the employment of three additional persons would result in a savings of over $200,000 in offsetting costs. Were those savings realized? If so, where?
Response	The fiscal 1984 budget submission (page 11) actually states that the increased personnel costs of $80,000 would be offset by attendant reductions in contract services. It goes on to further state that total reductions in the budget predictions were in excess of $200,000. These totals were actually in a number of areas and this figure was not related just to the increase in FTE. Savings in related contract expenses, did in fact, offset the increased personnel costs. Additional decreases anticipated, primarily in the area of external contracting, were not realized. The agency has experienced a very large proportional increase in contracting requirements for efforts associated with the selection, acquisition, and planning of new lands. This is also one of the underlying reasons for the agency's need to reprogram funds into Operation of the Commission during Fiscal Year 1984.
Question	For the record, please break down this request into the seven categories listed on page 9 of the justification and provide comparable data for fiscal years 1983 and 1984.
Answer	See Exhibits A,B and C.
Question	At what point in the process does the Commission determine that a person has contracted with the Commission for relocation?
Response	The Commission determines that a person has demonstrated their intent to contract with the Commission on the date their formal application is submitted.

Question $1 million is requested for bonus payments for 225 families, or an average of $4,444 per household. The law states that only those households contracting for relocation within one year after the effective date of the plan, which would be July, 1982 are eligible for the $5,000 bonus and the bonus is reduced by $1,000 annually. The final date of eligibility for bonus payments is April, 1985 at a level of $2,000. Should we assume from your request that the households which will be relocated in fiscal year 1985 contracted with the Commission for such a move between July 1981 and July 1983?

Response The bonus amount requested for fiscal year 1985, is, as in all prior years, as close an estimate as the Commission can arrive at. We do in fact, have individuals in the active relocation process whose application date is subsequent to July of 1983. The vast majority of clients to be relocated during Fiscal Year 1985 will be eligible for the full bonus (applied prior to Fiscal Year 1983). However, the Commission is estimating there will be some bonus payments during Fiscal Year 1985 at a level less than the maximum. All households which will be relocated in Fiscal Year 1985 did not contract with the Commission between July 1981 and July 1983.

Question By July of next year you should have a final count of all households eligible for bonus payments as they must have entered into contracts for relocation to be eligible for such payments. Will you, indeed, be in a position to provide us with such information?

Response All applicants eligible for any bonus payments must have applied for relocation by July 7th of 1985. It will, therefore, be possible for the Commission to project the potential total for bonus payments at that time. The actual amount could be less than the projections based on the number of applications in hand at that time which have not yet been certified. Any applications received prior to that date which are subsequently denied would result in a reduction from the total bonus payment projections which the Commission would be able to make at that time.

Question Under Discretionary Funds, the narrative indicates that the Commission has commitments from the Indian Health Service for matching funds for 7 utility projects. As no funds have been requested by the Indian Health Service for sanitation construction, what is the form of these commitments?

Response The form of the commitment from the Indian Health Service for matching funds in Fiscal Year 1985 was verbal.

Question What is the ratio of the proposed match?

Response The proposed match is currently under discussion.

Question The authorization for the Discretionary Fund allows the Commission to use up to 5 percent of the funds for administrative costs. Has the Commission taken advantage of that provision?

Answer The Commission has never directly charged administrative costs to the Discretionary Fund. All funds obligated have been in the area of direct costs for Discretionary Fund projects. The indirect administrative costs have been reflected in the Operation of the Commission.

Question What is your best estimate of the actual annual cost of administering the Discretionary Fund?

Response An estimate of all indirect support costs for the administration of Discretionary Fund would include seventy percent of the time of a Grants Coordinator/Administrator and associated clerical and reproduction costs. The total dollar estimate of indirect administrative costs for Discretionary Fund would be approximately $40,000 per year.

Question The 1983 Update to the Plan contains fiscal projections. The projection supported by the Commission totals $138.5 million for the cost of relocation - not including money provided for Discretionary Funds. To date, $63,071,000 has been appropriated -- including discretionary funds. Over how many years do you expect the additional $70 million to be appropriated?

Response The fiscal projections in the Report and Plan update referred only to funds for actual housing acquisition. Operational and Discretionary Funds are not included in the projection. At current levels of maximum annual authority for Housing Acquisition Funds it would take approximately 4-1/2 years to be appropriated an additional $70 million dollars.

Question The Commission estimates that there are 700 families who would be eligible only on the basis of "recurring contracts." If full benefits are paid to these individuals, the cost of relocation approaches $190 million. Who is making the determination as to the level of benefits, if any, these people will receive and when will such a determination be made?

Response The Commission does not certify as eligible persons who would be eligible only on the basis of "recurring contacts." The certification is based on a determination of residence as delineated by our regulations. We have previously indicated that the Act provides for only one benefit level and GAO has concluded that the Commission has no authority to pay different levels.

Questions Submitted by Dennis DeConcini

Question How many of the 534 families have continuing ownership of their replacement homes as of 1984?

Response Replacement home retention was reviewed for the primary off-reservation host communities of Flagstaff, Winslow, Holbrook, Page, and the White Mountain-area in 1983. A total of 252 homes were acquired for relocatees in these host communities through March, 1983. As of July, 1983 155 (62%) of the families had continuing ownership of their replacement homes.

Question	Of the 534 families who no longer own their replacement houses, please show where they had relocated to and where those families went after they relinquished ownership of the houses acquired for them by the Commission.
Response	The following information pertains to the families who relocated to the major off-reservation host communities through March, 1983. Of the 252 families who moved off reservation, 97 no longer occupy the relocation homes.

Community	Homes Acquired	Homes Relinquished
Flagstaff	141	69
Winslow	60	17
Page	22	6
Holbrook	18	2
White Mtns.	12	3
All	252	97

Information is not available on where these families went after they relinquished ownership of their replacement homes. Limited Commission staff resources (and the fact that most families do not advise the Commission that they are selling their homes) have mitigated against assembling this information.

Question	In those instances where families have returned to the reservation, how many have approved homesite leases where they now live? What kind of housing do these families live in on the reservation? How many families have reservation homesite lease applications pending tribal approval and what kind of housing do they have while they wait?
Response	Information is not available on the number of approved homesite leases held by families who returned to the reservation. Information is not available on the kinds of housing occupied by these families, although it is known that some families take the proceeds from selling their replacement homes and construct new homes with these monies.

Specific data is not available, however, Commission records indicate that as of March 23, 1984 there are 226 applications for homesite leases pending with the Navajo Tribe and/or BIA for persons awaiting relocation. Families awaiting relocation are residing in the full range of available housing types; off-reservation in houses, apartments, trailers, etc.; on-reservation the same is true, however, it is estimated that 90% of the dwellings in the HPL are sub-standard.

Question	Under what circumstances have relocatee families relinquished their replacement houses? Please provide this information on all houses relinquished through the end of 1983.
Response	Information is not available for homes relinquished through the end of 1983.

Information is available for homes acquired in the major host communities of Flagstaff, Winslow, Page, Holbrook and the White Mountains-area through March, 1983 and relinquished through July, 1983. The principal reasons for

	the sale of relocatee homes are the same reasons as homes are sold by all vertical segments of American society. The attached table indicates specific information the Commission has gathered to date. (See Exhibit D)
Question	Who has acquired all those replacement houses which have left relocatee ownership through the end of 1983?
Response	Information is not available for homes relinquished through the end of 1983. Information is available for homes acquired through March, 1983 and relinquished as of July, 1983. The information requested by this question cannot be disclosed since it is the subject of a Justice Department inquiry.
Question	How long after acquisition of the replacement houses by the Commission for the relocatees have the houses been resold or otherwise relinquished by the families?
Response	Homes relinquished by relocatees through July, 1983 were held by their relocatee owners an average of approximately 18 months before being relinquished.
Question	Have relocatee families received fair market value for the replacement homes? What kind of payment or compensation are the relocatee families receiving or have received for the houses? What kind of arrangement do these families enter into for receipt of the compensation owed them by whomever is acquiring the house from them?
Response	Information on fair market value of the replacement homes at the time they were relinquished is not available. The review of title company and court house records for homes relinquished as of July, 1983 indicates that the sale price of the homes was, on the average, 7.4% greater than the acquisition cost of the home. Information is not available on the kind of payment or compensation all the relocatees received. The records reviewed indicate only the sale price. A number of these transactions are the subject of a Justice Department inquiry and it is not appropriate to disclose any information on specific transactions. These transactions have taken place without Commission involvement or knowledge.
Question	Who provides relocatee families who are considering relinquishment of replacement homes with any necessary advice which they may need before making a final decision?
Response	Relocation Advisory Services provides counseling to relocatees after their move. To date, specific financial counseling by RAS has been triggered only on request. In the future, because of the 24 month deed restriction, families will be required to come in for counseling by the Commission before selling.
Question	When and how does the Commission learn of a proposed resale or relinquishment of a replacement home by a relocatee family?

Response In the past, except for a very few cases, the Commission learned about the sale of the replacement home after the sale occurred. In general, we learned about homes being sold when we conducted an annual review of records at title companies and county court houses.

In the future, the Commission will learn of proposed sales in advance of the escrow closing because of the new 24 month deed restriction.

Question Has the Commission, in the past as well as now, reviewed the terms of the contracts under which relocatee families relinquish their replacement houses? When was such Commission review, if any, instituted?

Response In the past, the terms of contracts under which relocatee families relinquished their replacement homes were not reviewed because the families did not bring the contracts to the Commission.

In the future, because of the 24 month deed restriction, the Commission will review the terms of the sale contracts and will provide families who are proposing to sell their homes with mandatory counseling.

Question What recourse do the relocatees have in the event that they encounter problems in getting the agreed to payment from the purchasing party or discover that the circumstances under which they lost their house are questionable? Do families in these instances advise the Commission of their situations? How does the Commission respond to these families?

Response The relocatee families have the same recourse open to them that other persons do - they can seek redress through the courts or lodge a complaint with the State Real Estate Commission. Legal advice is available through the Navajo Tribe, legal aid and private attorneys.

The new deed restrictions will trigger a mechanism whereby the client will have to come in for consultation with the Commission. The staff will be trained to review the proposed transation and to counsel the relocatees as to the specific nature of the offer. When questionable transactions are involved, the Commission will attempt to provide alternative resources through legitimate realtors and banks. Ultimately, however, it is the relocatees right to make the decision.

Question Pursuant to P.L. 93-531, as amended, the Relocation Commission is required to complete voluntary relocation by July, 1986.

Is the Commission going to meet this deadline? If not, what is the best estimate of a date for completion of the voluntary relocation?

Response No, the Commission cannot meet the deadline. Since eligibility regulations are currently under review, and an application cut-off date is being contemplated, the Commission is not in a position to make a final estimate of a firm completion date. The Commission is currently planning to have final eligibility regulations by June of

1984. Assuming this comes to pass, the Commission estimates that all currently pending applications can be dealt with by December 31, 1984. The Commission would then be in a position to keep current with applications received from that point through July 7, 1985 (the currently anticipated application cut-off date). The Commission would therefore be in a position, in early August of 1985, to provide extremely accurate figures regarding the number of eligible heads-of-household remaining to receive benefits and the time required for completion of the program.

Question What is the current status of the land acquisition process in Arizona and New Mexico? When will these lands be transferred to the Navajo Tribe? When will these lands be available for use by relocatees? What is the Commission doing to assist the Tribe in acquiring these selections?

Response The Bureau of Land Management is making a major effort to effectuate exchanges. It is our understanding that a proposal has been made for direct exchange of one of the ranches for BLM lands in Arizona which have been identified. BLM will begin the appraisals and cultural examinations in the near future. The ranch involved has already been appraised.

We also understand that an individual is negotiating seriously with two ranchers in regard to purchase of their ranches which he would exchange for BLM lands in New Mexico which he had previously identified.

The BLM projects that two ranches may be acquired in the latter half of 1984 with the remaining lands to be acquired in 1985. It is recognized that there are factors which could delay this schedule. The land would be placed in trust and become part of the Navajo Reservation immediately after acquisition by BLM of full ownership of a land parcel.

If lands are acquired in the latter half of 1984 they should be ready for occupancy in the latter part of 1986. If lands are acquired in 1985, they should be ready about two years later or some time in 1987.

The Commission recognizes that BLM has prime responsibility in acquiring the lands but provides support to the extent possible. As an example, the Commission administers the appraisal contracts. Commission staff frequently meet with the BLM to discuss problems and the Commission has submitted a request for reprogramming of funds, not to exceed $250,000, a part of which would be used to facilitate land acquisition by BLM.

The Commission has also prepared a report for the Congress on the status of land acquisition and the problems relating to it with recommendations for alleviating these problems.

Question How many Navajos have been relocated to on-reservation sites?

Response As of the end of February, 1984 a total of 177 Navajo households (805 persons) have relocated to homesites on the Navajo reservation.

Question What is the status of the Hardrock group move? What does the Commission plan to do to assist the host community to accommodate the relocatees? How much will the required development cost?

Response Approximately one-third of the total of 100 homes in the Hardrock Group Move are either entering the construction phase, under construction, or have been constructed. The Relocation Commission is working with the Indian Health Service and the Navajo Tribal Utility Authority to develop and provide a community water system and extend electrical service to all relocatee homes on the project and to those existing homes in the project area. It is estimated that approximately 175 host community homes and 100 relocatee homes will benefit from this development at a total cost of 6.5 million dollars.

Question How many off-reservation relocatees have sold their homes and returned to the reservation? What action is the Commission taking to prevent this from occurring? What is causing this problem?

Response The sale of replacement homes was reviewed for the primary off-reservation host communities of Flagstaff, Winslow, Holbrook, Page and the White Mountains-area in 1983. A total of 252 homes were acquired for relocatees through March, 1983 and as of July, 1983 97 of these homes had been sold. Information is not available for all off-reservation relocations.

Definitive information is not available on where these families moved after they sold their homes in 1983. However, in the fall of 1980 the Commission was able to contact 30 families who no longer occupied their replacement homes. Of the 30, it was found that 63% of the families who no longer occupied their replacement homes had moved to a new community and 33% had stayed in the host community to which they relocated. The remaining 4% was accounted for by one case in which part of the family had moved to a new community and part had remained in the host community.

Of the 11 families who moved to a new community, 58% moved from an off-reservation community back to the reservation, 5% moved from the reservation to an off-reservation community, and 37% moved to a different off-reservation community. Six of the families who moved to a new community went to Tuba City, and one each to Teesto, White Cone, Cameron, Kaibeto and Window Rock. Two of the families who moved to a new community went to Flagstaff, and 6 moved to other communities.

In the future, the 24 month deed restriction will require relocatees to contact the Commission before they sell, and to receive mandatory counseling.

The causes of families selling their homes vary from family to family. Some families have been waiting for a home site lease for several years, while living in substandard housing. They moved off-reservation but always planned to live on the reservation once the home site lease was approved. When they acquired an approved lease they sold the replacement home and returned to the reservation. Other reasons include an inability to adjust to off-reservation living, the need to move to a new community, because of job promotions, financial problems, and on-reservation relatives needing them "back home". Age and family life cycle are also factors, since heads of household who have sold their homes are several years younger than heads of households who have not sold.

Question How many jobs has the Commission found for the relocatees? What types of employment training and assistance programs has the Commission initiated or offered for relocatees?

Response The Commission has explored and sponsored a number of employment initiatives for relocatees. The Commission's pilot group move project provided employment to a number of relocatees and local residents, and it is anticipated that the Hard Rock Group Move will create employment opportunities.

The Commission Discretionary Funds project for vocational training for relocatees at the Winslow Community Counseling Center has trained 30 persons. 16 have found jobs.

There are three major program areas which have produced employment opportunities for relocatees: 1) the housing construction program, 2) Discretionary Fund Program through a number public works projects, and 3) the post-move relocation assistance program. The Commission has funded projects which provide vocational training and job placement, small business development training, emergency assistance, home maintenance and home economics training.

Under its post-move services contract with Flagstaff's Native Americans for Community Action, relocatees are offered employment counseling and training. Extensive support services are provided, and a GED program is available to assist relocatees in strengthening their learning skills.

Question What is the Commission doing to ensure that the relocatees do not suffer adverse economic impacts as a result of relocation?

Response The Commission has been playing "catch-up" with these impacts due to the fact that very few guidelines were set when we started to relocate families in the late 70s.

Currently, we have contacted the Arizona Department of Economic Security and three other job-related agencies to see what training programs, job search assistance and job placement programs are available. We will refer relocatees to these service providers in order to ensure that they become competitive in the job market or employed.

The Commission recognizes that a successful relocation means addressing each and every part of the original law. The mitigation of all the adverse impacts of relocation is an on-going thrust of the operations of this agency.

Question What has the Commission done to reduce or mitigate adverse impacts on those awaiting relocation? For example: How many home repairs has the Commission completed? How does the Commission ensure that potential relocatees have sufficient livestock to maintain adequate nutrition?

Response We are revising our Education Seminars in order to give clients a realistic view of what to expect from the process of relocation and to educate them on what alternatives are available to them. The ability of Commission staff to mitigate adverse impacts on those awaiting relocation is minimal since we have 1116 certified households awaiting relocation and only five counselors. Additionally, tribal service providers are available to those awaiting relocation.

We also provide assistance to Navajo clients completing applications for home repairs. These applications go to the Hopi Tribal Council for approval. In the meantime, our Counseling staff expedites whatever internal activity is necessary to relocate families who experience unusual duress pending relocation.

Three home repairs have been completed by the Commission.

The BIA has authority to grant livestock permits. The livestock reduction programs, as a general statement, have made it impossible for families to remain either nutritionally and/or economically dependent on their livestock. The Commission has no authority to ensure that Navajo clients be allowed to maintain "adequate" numbers of livestock.

Question Where does the Commission maintain offices? How many offices has the Commission established in the Former Joint Use Area?

Response The Commission maintains its headquarters office in Flagstaff, Arizona. The Commission maintains a small Special Projects Office in Phoenix, Arizona. Currently, the Commission has no offices located in the F.J.U.A. During the period from 1977 through 1981, the Commission maintained six field offices strategically located on the F.J.U.A. These offices performed appraisals, census, and public information work. The Commission has always maintained offices where they would best serve both the efficient administration of the agency and the needs of the relocatee.

Question What have been the Commission's economic development initiatives in the Former Joint Use Area? What is the Commission's plan to promote future economic development alternatives in this area?

Response The Commission's primary boost to economic development efforts has been our housing construction program. This program has provided jobs to our clients and to the residents of on-reservation host communities. We have also funded several projects through the Discretionary Funds Program including:

1) IHS-NTUA-NHIRC grid utilities to Hardrock, Jeddito, White Cone, Tolani Lake, Shonto, Indian Wells Chapters,
2) Winslow Community Counseling Center - providing pre-move vocational training to certified relocatees,
3) Hopi Tribe - providing small business training and management skills.

Another significant activity has been the Commission's involvement in the Turquoise Trail. This proposed two-lane highway, which will run through both the Navajo and Hopi reservations, would make it possible to travel the area in the winter, boost tourism, provide access to schools, medical services, and jobs, and encourage business development.

Economic development planning in the FJUA cannot be done independently of the rest of the Navajo reservation. Planning must be included as part of the Navajo Tribe's Overall Economic Development Plan. Toward this end, the Commission is providing funding for comprehensive economic development planning for both the existing reservation and the new lands.

Question What actions has the NHIRC taken to plan comprehensive economic development for the FJUA? As an example, areas in the plan should include capacity building -- training, technical assistance, etc. -- and identify cost and possible funding sources.

Response The Commission is providing funding for comprehensive economic development planning through the consulting firm of CH2M Hill. Emphasis will be on what can be done in terms of public works projects in the FJUA.

Through the Discretionary Fund Program, the Commission has joint venture projects with the IHS and NTUA to provide basic facilities, in the form of water and electrical power to 5 host chapters. Of significance is the Commission's involvement in the Turquoise Trail which will be a major boost to economic development in the FJUA. This proposed two-lane highway, which will run through both the Navajo and Hopi reservations, would make it possible to travel the area in the winter, boost tourism, provide access to schools, medical services, jobs, and encourage business development.

The Discretionary Funds Program has also supported a number of other projects which have trained and found jobs for relocatees.

1) Winslow Community Counseling Center - providing pre-move vocational training to certified relocatees.
2) City of Winslow - subsidized wages for relocatees employed on the construction of the Visitor's Center and on the needs assessment survey.
3) Hopi Tribe - providing small business training and management skills.

In addition, the post-move services contract with NACA has a job skills development, training, and job placement component.

The majority of the Commission's FY '85 Discretionary Funds have been earmarked for projects which will develop the infrastructure of this area.

Question What actions has the NHIRC taken with respect to development of the infrastructure necessary for economic development in the FJUA?

Response The Relocation Commission has been working with the Indian Health Service and the Navajo Tribal Utility Authority in all Navajo Tribal chapters in the Former Joint Use Area in which there was a large number of Relocation Commission client replacement homes to provide community water service and grid electric service to the these homes and nearby existing homes. Currently under consideration are community projects in Hardrock, Pinon, Whippoorwill, Low Mountain and Jeddito Chapter.

In addition, the Indian Health Service has provided a community water system in White Cone which was justified largely by the number of Relocation Commission clients' replacement homes. The Relocation Commission in White Cone has used clients' benefits and Discretionary Funds to build approximately ten miles of power lines. These electrical extensions have also benefited existing homes in the area. It is expected within the next eighteen months that the Relocation Commission will begin constructing 25 to 30 homes in Red Lake and Shonto Chapters and will be able to benefit local residents there in the same manner as it intends to do and has been doing in the chapters previously mentioned.

Question What specific arrangements has the NHIRC made with other federal agencies to initiate necessary appropriations requests for infrastructure and economic development?

Response The Commission has been working closely with representatives from the Indian Health Service, the Bureau of Land Management and the BIA to attempt to insure that these agencies are adequately informed of the future requirements of the Relocation Commission which may impact on their programs.

The Relocation Commission has been in close and continuous contact with the Indian Health Service on a local and national level to seek ways of funding projects which involve large numbers of Relocation Commission client homes and large numbers of existing homes.

As the new lands are acquired, under P.L. 96-305, for resettlement purposes, the active involvement of other federal agencies will become very important.

Question What specific arrangements has the NHIRC made with Navajo and Hopi Tribal agencies to coordinate and implement infrastructure and economic development plans for the FJUA?

Response The Commission has a long standing agreement with the Office of Hopi Partitioned Lands, which helps provide the Tribe with basis for planning development.

The Navajo Tribal Utility Authority provides utility services to homesites and communities in the FJUA. Cooperative efforts have been made in the past with the Navajo Construction and Engineering Authority which sought to promote employment of local residents through the construction of relocatees' replacement homes.

The Commission's planning efforts with its consultant firm CH2M Hill are also focusing on planning for infrastructure and economic development.

The projects have been undertaken following extensive consultation with relocatees, Tribal representatives, and agencies with prime planning responsibility and NTUA for power.

The Relocation Commission has been in close contact with the Navajo Tribal Utility Authority to implement projects in the Former Joint Use Area Chapters which would serve Relocation Commission client homes and existing homes nearby.

Question What specific arrangements has the NHIRC made to lessen the impacts of relocation in on-reservation host communities such as Tuba City in order to promote economic development and thereby lessen the burdens of relocation?

Response The Relocation Commission is presently working with the Tuba City Chapter Planning and Zoning Committee on a proposal which would provide development of a large subdivision type housing tract in Tuba City. This would not only benefit the Relocation Commission and its clients by making available lots to which to move, but it would also benefit the Tuba City Chapter by making lots available for local Chapter residents. Currently, because of the Bennett Freeze situation, there is a critical need for developed lots within the Tuba City Administrative area.

The Chapter is proposing development of an industrial site in conjunction with the subdivision. The NHIRC has also proposed to help the Chapter plan for the industrial site.

Question How many relocatees will be moving onto the acquired lands?

Response It is estimated that the acquired lands (400,000 acres less 5% non range land) would support 4,500 head of cattle or 18,000 sheep. Some 180 families could run 100 sheep per family on the lands. This would be about one-half of an economic unit for a traditional Navajo family. This number would be reduced if grazing were restricted on the Paragon Ranch. If only 250,000 acres of lands are acquired the above figures would be reduced by 37.5%.

In addition to the 180 families who would live on the ranches and engage in ranching, it is estimated that up to 800 families could reside in rural communities on the Paragon Ranch and in the Chambers-Sanders area. These communities could provide small acreages for each family but support would be from employment. The proposed construction, mining, and power generation activities on the Paragon Ranch could support as many as 400 families. Existing employment within commuting distance of the Sanders-Chambers area, supplemented by jobs from new commercial development could eventually provide jobs for most of the relocatees in that area. Commercial development would be contingent on funds being available, from the Commission, Tribes, private sector, other Federal agencies or any combination thereof.

Question What analysis has the NHIRC made with respect to potential economic uses of the acquired land?

Response The Commission funded a study of the new lands by the Navajo Tribe which included economic potential. The planning firm of CH2M Hill, under contract with the Commission, is evaluating economic uses in relation to the general plan

	under development. Family profiles developed by the NHIRC will enhance identification of specific land uses.
Question	What analysis has the NHIRC made with respect to the employment needs and potentials of the relocatees who will settle on the acquired lands.
Response	In the Spring of 1982 the Relocation Commission conducted a sample survey of the families that had been certified eligible for relocation benefits but had not yet relocated. At the time of the survey that population consisted of 892 families the sample population consisted of 178 families which was 20% of the total population. The sample population was randomly selected and stratified by chapter location. The questionnaire was comprised of 54 questions dealing with employment needs and potentials of relocatees. In addition to this information the Relocation Commission has utilized information from a variety of sources including U.S. Census data and Tribal, university and private studies to better understand the employment needs and potentials of the relocatee population.
Question	What assistance has the NHIRC rendered to the Navajo Tribe with regard to planning and implementing economic development on the acquired lands?
Response	The Commission funded a study made of the new lands by the Navajo Tribe which included economic evaluations. In addition, the firm of CH2M Hill conducted a study of the economic potential of I-40, and is also evaluating existing data (including economic data) and determining what additional data may be necessary. Further, the firm is preparing a general development plan which will include an economic component for the new lands. Once lands are acquired, more specific planning will be implemented.
Question	What specific steps has the NHIRC taken to identify infrastructure and development needs on the acquired lands?
Response	The Commission's planning contractor, CH2M Hill is making a preliminary determination of infrastructure and development needs for the new lands. More studies and recommendations will be made after the lands are acquired and site specific planning is possible.
Question	What specific steps has the NHIRC taken to request that other federal agencies initiate appropriations requests to provide funding for infrastructure and economic development on the acquired lands?
Response	Until it is assured which lands will be acquired, infrastructure and development needs on the acquired lands cannot be reasonably or accurately determined. Even though there is no assurance that all of the new lands will be acquired, the firm of CH2M Hill is developing a general land use plan. This will be completed by July, 1984 and based on the general plan, the Bureau of Indian Affairs and Indian Health Service may be asked to include in their budget requests, funds for roads and water sanitation development.

Some of this funding as well as economic development and other funding may be requested as additional authorizations to the Navajo and Hopi Indian Relocation Commission.

Until the land is actually acquired, it is not trust land and therefore, not under the jurisdiction of BIA and IHS. The 1980 amendments provide that other federal agencies will provide "reasonable assistance" when requested to implement relocation. NHIRC will work with BIA and IHS to plan for necessary developments in an attempt to expedite the procedure.

Question When will the acquired lands have sufficient infrastructure and economic activity to enable the relocatees to reside on these lands and derive their incomes from use of the lands?

Response The infrastructure for some of the lands should be in place in the latter half of 1986 and the remainder in 1987. The initial economic base will be from grazing and from jobs that may be available in the area. If the existing commercial facilities that are for sale can be acquired some 40 or 50 jobs could be available to Navajos at that time. Jobs from new Navajo owned commercial or industrial facilities, if such developments are undertaken, would probably gradually become available in the period from 1988 through 1993.

INSTITUTE OF MUSEUM SERVICES

STATEMENT OF SUSAN E. PHILLIPS, DIRECTOR

PREPARED STATEMENT

Senator McClure. We will now turn to the Institute of Museum Service. The fiscal year budget request for IMS totals $11,612,000, a decrease of $8,500,000, or down 42 percent from fiscal year 1984 appropriations to date.

Ms. Phillips, we welcome you to this subcommittee. We look forward to the opportunity to hear from you. Your opening statement will be included in full in the record, and if you would introduce any others who are with you that you would like to introduce, we will proceed directly to the questions.

[The statement follows:]

STATEMENT OF SUSAN E. PHILLIPS

Senator McClure and distinguished members of the Committee, it is an honor to appear before you today to review with you the President's request for funds for the Institute of Museum Services for Fiscal Year 1985.

As we all are aware, IMS has had a confusing past and was perceived at times to have an uncertain future. As I have met with museum people from around the country both here in Washington and in the field I have received many interesting comments: "IMS? Oh, I thought that you were eliminated two years ago?", "IMS? tell me, are you a part of the Department of Education or the National Endowment for the Arts?" Even people in the government are not exactly certain how we fit in to the overall scheme of things. Most are surprised to learn that we are an independent agency within the Executive Branch.

Since assuming the responsibilites of Director in July of 1983, with the able assistance of my staff, I have been striving to answer these questions and ease the uncertainties. The budget presented here this morning is consistent with the efforts we have made over the past several months to clarify the role of IMS as distinct from other agencies or programs which provide funds to our nation's museums.

The Administration is requesting an appropriation of $11,612,000 for Fiscal Year 1985, slightly higher than its request for Fiscal Year 1984. The increase of just under $100,000 is to cover the increased overhead of the agency which we added to the request rather than reduce the funds available for grants to museums at this level. Ours is a very simple budget and covers three categories of expenditure: Grants to Museums, Administration, and the National Museum Services Board. We are requesting that all funds available in the Grants to Museums portion of our budget be disseminated to applicants through the General Operating Support program. As in previous years, up to $240,000 of this amount would be available for the Museum Assessment Program.

Of all the programs with which I am familiar across the Federal government, General Operating Support is one of the cleanest and easiest to administer. The security guard's salary, the light bill, the acid free paper on which to mount a masterpiece, are not sexy fodder for development campaigns. I am frequently impressed on my visits to museums across the country, by the numerous plaques, tiles, labels and, indeed, monuments, which pay homage to the generosity of patrons who support the cost of a particular exhibit, an animal or species within the zoo, or a room or a building. No where have I seen the John Jones light bill immortalized in marble or even lucite.

One application form, one set of regulations does the trick. Eligibility is clear. Procedures are uniform. And the money is awarded with few strings attached. There is no chance that the Federal government will infringe on the creativity of a controversial exhibit or that it will become a Federal ministry determining what is appropriate to be exhibited or conserved. All of that remains the responsibility of the museum to determine as it sees fit, and that is as it should be. Institutions are judged solely on their ability to effectively and efficiently utilize the resources under their care. If they want to spend the funds on an exhibit or conservation, that is within the discretion of the museum. If they prefer to pay the rent or develop a new program for docents, well, that's O.K. too.

The request for funds for Administration is $159,000 above the amount requested in the F.Y. 1984 budget but $24,000 below the actual 1984 appropriation when a reprogramming of $183,000 is added. (As I write this, the reprogramming has been approved by the House, and we are awaiting Senate approval). While I wish I could present a request lower than the 7% of our total budget this represents, I can not do so. On a visit to the Corcoran Gallery here in Washington this fall, I happened to meet a very interesting woman who had prepared the labels for the objects in the show which was then on display. It suddenly struck me that though I had been visiting museums all of my life, I had never given any thought to how or by whom the labels were produced. I fear that the same blindness occurs when we look at Federal agencies. Payroll records must be kept, checks disseminated; personnel functions performed: numerous forms filled out, positions posted and competed; materials for office use must be requisitioned and purchased; incoming mail must reach its intended recipient and outgoing mail franked and sent on its way; applications for award must be entered into computers which generate lists of reviewers matched by discipline and size to the applicant; and when decisions are finally made as to who is to get these highly valued funds, award documents must be generated, funds disseminated and reports received. A full 25% of our Administrative budget, $222,000, is needed to reimburse other agencies, individuals, and businesses which provide these necessary services to IMS. Standard Level User Charges and rent and utilities represent 1% of IMS' total budget, salaries and benefits, more than 3%. While we pledge to take advantage of every possible economy in the administration of this agency, we cannot suggest cuts which would endanger the agency's ability to manage its grants programs in a manner which both serves the museum community and protects the American taxpayer.

The budget for the expenses of the National Museum Services Board remains consistent with this year's experience. It is expected that the cost of travel will be lower for F.Y. 1985 as committees of the Board should have to meet less frequently than this year when all application packets were being revised and a new program implemented. As always, the Board is reminded that it should utilize Government Travel Requests for its travel as frequently as is possible.

In a radio address to the Nation on May 1, 1982, President Reagan stated:

> Government must stay within the limit of its revenues. This is not a political issue between parties. It's an issue simply of sense versus nonsense, of endless red ink versus lasting recovery.

IMS is striving through the presentation of this "hold the line" budget request to do its small part to dry up the sea of red ink.

And, as the President said in a toast to the Governors at a meeting of the National Governors Association on February 26, 1984, "People are no longer looking to Washington to solve every problem." It is gratifying to learn that the private sector, and nonfederal segments of the public sector are responding to the President's oft spoken philosophy that the growth of the Federal government must be curbed, by increasing their own contributions to cultural institutions.

In a press release dated February 29, the National Assembly of State Arts Agencies reports ~~that state~~ legislatures have increased funds by 9.5% for Fiscal Year 1984, this follows a 2.3% increase in 1983 over '82 funds. The Business Committee on the Arts reported last November on the results of a major survey it had conducted. The survey found that:

> American businesses provided a record total of $506 million to the arts in 1982 according to national survey findings.... This is a 32% decrease over the 1981 total of $385 million during a time when the U.S. Department of Commerce reported that pre-tax profits of U.S. business declined by 45% ...

Ralph P. Davidson, Chairman of the Board of Time, Inc. and Chairman of the Business Committee for the Arts, Inc. commented:

> This survey showed a remarkable commitment to the arts by thousands of corporations hit by the recession last year and a good, solid foundation for increased giving as the economy recovers...

Of the amounts contributed by Business, museums received 19¢ of every dollar, with historic and cultural preservation projects receiving 4¢ and exhibition sponsorship an additional 4¢.

IMS presents this budget with the knowledge and understanding that the funds requested are but one source of those available to museums and with the belief that the activities of the Institute will not duplicate those of other Federal programs for which museums are eligible to apply.

I would be happy to answer your questions at this time.

BIOGRAPHY OF SUSAN E. PHILLIPS

PROFESSIONAL HISTORY

INSTITUTE OF MUSEUM SERVICES
July, 1983 - present: Director

U.S. DEPARTMENT OF EDUCATION
September, 1982 - July, 1983: Director, Intergovernmental and Interagency Affairs
May, 1982 - September, 1982: Expert Consultant for grants and contracts management

THE CONSERVATIVE CAUCUS RESEARCH, ANALYSIS AND EDUCATION FOUNDATION, INC.
January, 1980 - April, 1982: Director, Research and Publications
September, 1977 - January, 1980: Administrative Director

THE CONSERVATIVE CAUCUS
September, 1976 - August, 1977: Administrative Assistant to the National Director

MANUFACTURER'S REPRESENTATIVE
June, 1972 - September, 1975: Self-employed

NEWTON PUBLIC SCHOOLS
September, 1968 - June, 1972: Teacher, eighth grade English

EDUCATION

University of Massachusetts, B.A. 1967
Syracuse University, graduate program in English literature, 1967-68
Virginia Tech, 1980 - present, MBA in progress

ADDITIONAL EDUCATIONAL EXPERIENCES

Johns Hopkins Center for International Diplomacy, Bologna, Italy, 1966, Summer Session, (studies in art and literature)

"Understanding Congress", seminar, Washington Monitor, 1976

"Public Relations in Washington, D.C.", seminar, Washington Monitor, 1977

"Non-Profit Tax Seminar", Organizational Management, Inc., 1978, 1979

"Copyright Law", seminar, Practicing Law Institute, 1978

"The Congressional Budget Process", seminar, Washington Monitor, 1980

National Security Institute for Women, Department of Defense, 1983

White House Management Conference for Non-Career Executives, 1983

NEW OFFICE QUARTERS

Senator McClure. Thank you. I understand that IMS has now moved into the Old Post Office Building. Are those facilities adequate?

Ms. Phillips. They're more than adequate. They're very luxurious; they're very beautiful. The ambience in which we work is just lovely. On the negative side, it's very expensive and a great deal more so than was our experience with the Department of Education.

Senator McClure. Have you been able to eliminate the dual data processing system that was discussed last year?

Ms. Phillips. Yes; we're pretty much through with that. We are up and running on an NEH system which is proving so far to be working very well and without bugs. The Department of Education is continuing our 1983 awards and will be doing so throughout the year; however, they have been cooperative with us in turning over tapes of information and formats that we need for our NEH-based system.

Senator McClure. I would assume that you would still wish to go forward on that, and you believe that the new system will give you better information and more rapidly and on a more current basis; is that correct?

Ms. Phillips. It already is.

REPROGRAMING REQUEST

Senator McClure. I have at my desk a reprograming request to increase 1984 program administration from $651,000 to $834,000. At the end of 1983, you had four permanent employees on board. You now have 12 full-time and 2 part-time employees. No supplemental has been requested to cover your additional staff expenses.

Why did you increase your staff without adequate resources to finance them?

Ms. Phillips. Well, I think the four full-time employees is a misleading figure. There were many people who were employed as temporary civil service, as opposed to recipients of the full civil service benefits. I increased the size of IMS up to the FTE which was allowed for 1983, which was 12. I have not increased my FTE up to the level currently authorized by OMB, because I do not have the funds to do so. When I came into the agency last summer, so many things were not being done which should be done, which we didn't have the staff to do. I also saw my grant staff, my program staff, unable to take summer vacations, working every evening, sometimes up until midnight, working on weekends. This has resulted, over a number of years, in very large staff turnover for IMS.

As an MBA student, one of the things that you learn about management, is that management involves managing people and how well or poorly you use people. I don't think it's appropriate to use people by forcing them to work till they drop.

Senator McClure. I understand the need to have adequate people. If I understand your response to the question, you say that comparing a staff of 4 to 12 is inadequate, because you had the equivalent people, in terms of part-time or their equivalent.

Ms. PHILLIPS. When I came in, there were temporaries.

Senator McCLURE. Full-time temporaries?

Ms. PHILLIPS. Full-time temporaries.

Senator McCLURE. If they're full-time temporaries, the equivalent to the 12 that you now have full-time, why did you need an increase in money?

Ms. PHILLIPS. Why do I need an increase in money?

Senator McCLURE. Yes; do the full-time permanents cost more than full-time temporaries?

Ms. PHILLIPS. We have many increased costs, Senator. The desire to pay for an increased staff is naturally one of them. Our rent bills went from $2,000 last year to a projected $106,000 this year. The Congress, in its wisdom, increased our budget from $11.5 to $20.1 million, without any concomitant increase in administrative funds for running those programs.

The request for administration for running an $11.5 million budget was $650,000. Had we known that we were going to get a budget not of $11.5 million but of $20.1 million, we would have requested additional moneys. Rather than have $9.9 million to spend on general operating support, we have $15.7 million. We have a brand-new program, conservation, for which guidelines had to be written, for which application packages had to be developed, printed, and mailed. We have increased reviewer costs. We've had the Congress of the United States ask us to use panelists to review our grants. Those panelists have to be paid. The transportation costs have to be met. There are many many reasons, beyond those of staff costs for which we have requested this reprograming.

Senator McCLURE. What will you do if the reprograming request is denied?

Ms. PHILLIPS. I will cut back.

Senator McCLURE. Cut back what? All of those things you just talked about?

Ms. PHILLIPS. We will have to look very seriously at our budget to see if, indeed, we can use panelists. If we don't have the money to pay them, then we won't be able to use them.

We will cut back on all staff travel to meet with museums at their professional associations and gatherings around the country, and we will request the Board to cancel its fifth meeting, currently planned for July.

Senator McCLURE. You have used this logic as the basis for the reprograming request and in your statement. Now, in fact, the Congress last year increased the budget for IMS. This year you have presented a budget request which is down 45 percent, but you don't decrease the administrative costs.

Why should we leave the administrative costs at the high level? Why are you going to cut the program but not decrease administrative costs?

Ms. PHILLIPS. No. 1, I have—Mark Twain said that there are three kinds of lies—lies, damn lies, and statistics—I prefer to look at our budget as an $100,000 increase over the administration's request of last year rather than a 45-percent decrease of what the Congress gave the Institute of Museum Services.

Senator McClure. That is a statistical answer; that is neither a lie nor a damn lie.

Ms. Phillips. That is right, whichever way you look at it. However, we are going to have awards that are going to be going out in July and at the end of September which are going to have to be monitored next year. That is No. 1.

There are still going to be final reports which have to be received. There is still going to be the close up that needs to be done. In addition to that, there are many other things that the Board has discussed IMS venturing into, which we have not had the administrative resources to contemplate, and were we to have a surplus of funds available the Board would make a policy decision as to whether those funds would go into general operating support or into pursuing some of the other areas of administrative responsibility under their consideration.

Senator McClure. I am still troubled because you said one of the reasons, the primary reason for increased administrative overhead was because Congress augmented the program.

Ms. Phillips. Yes.

Senator McClure. And now you are telling me we shouldn't compare administrative expenses to what Congress had given you.

Ms. Phillips. No; I am saying that there are administrative costs attendant to the 1984 appropriation which will spill over to the work responsibilities experienced by the staff in 1985.

Senator McClure. Well, does that then intimate that the administrative overhead will continue in 1985 and drop off in 1986?

Ms. Phillips. If Congress agrees with our budget proposal, I would think it would, yes.

SPECIAL PROJECT GRANTS

Senator McClure. For special project grants, you show that in 1983 you only spent $333,000, less than 50 percent of the amount appropriated by the Congress for that purpose.

Why were you not able to make grants for the full amount?

Ms. Phillips. We did not receive a sufficient number, of what the Board, the Museum Services Board, characterized as quality applications to fund any further up to this date. Just prior to my taking over as director, the Board had voted on July 15 to fund the first 14 applications on this slate, with the recommendation of the counsel to IMS. After assuming the responsibility of acting director, I read all 51 of the applications which we had received and decided to fund an additional 3 applications.

Senator McClure. For a total of how much?

Ms. Phillips. A total of 17.

Senator McClure. A total of how much dollars?

Ms. Phillips. $330,000.

Senator McClure. $330,000. The administration requested and Congress agreed to an amount of $720,000 for special project grants in 1984.

Does the Institute plan to spend the full amount?

Ms. Phillips. I don't know. I really can't answer that. It depends on the number of quality applications we receive. The National Museum Services Board has set a policy that we will only fund quality applications, not just fund for as much money as we get.

We have set a deadline date of April 6 for receipt of applications. This year we asked applicants to send in notice of their intent to apply for funds. As of this morning, we have received 30 notices of intent to apply. We have put a deadline on this notice of March 16. So it looks like maybe a few more will wander in, but we will probably have fewer applications for funding this year than we did last year under this category.

Senator McClure. You have a deadline for applications of what date?

Ms. Phillips. For special projects our application deadline is April 6.

Senator McClure. Is there reason to set the deadline for that that early when you have unexpended funds?

Ms. Phillips. Well, it is because there is a whole process by which those applications must proceed. They have to be received by our staff and reviewed for completeness. They must be sent to the field for review. They must be brought back in and then panels of readers brought in to review them. A slate must be made, and they must be presented to the National Museum Services Board at their meeting of July 20, so that they then can go through the additional processing necessary to award the grants in September.

Senator McClure. You have requested zero for special project grants in 1985.

Why after 5 years should we terminate this type of grant?

Ms. Phillips. Well, it is my personal opinion and that of the National Museum Services Board that, at this point in time, special projects has not proven to be an effective use of moneys in museums—that the distinct project benefit that IMS can project is through general operating support, and it is through general operating support that we make a unique contribution to the museums of America, which is significantly different than the contributions made by the other Federal funding agencies.

Senator McClure. Why is that different? You think you don't get good results from special project grants?

Ms. Phillips. When I read all 51 applications last summer, I was appalled at the lack of quality in the applications, not just in the way the applications were written because that can be excused, and I would hope that we would look through the manner in which an application is put to the value of the project.

However, the projects to a great extent were such that they really should have competed under general operating support. There was no unique or special benefit to the museum community as required in the program guidelines.

In many instances there were probably—and this is a supposition expressed by my staff and others—there were probably individuals who had decided that there was less competition under this program and, therefore, they would compete here rather than in general operating support.

SPECIAL PROJECTS PROGRAM EVALUATION

I currently am reviewing the findings of an evaluation that IMS commissioned at the end of last year to review the special projects program. It was my desire through that evaluation, that professional and unbiased evaluation, to take a look at what really had been funded over the years to see if there really were any significantly beneficial projects, what made them beneficial, what made those applications better than the ones that didn't turn out as well, so that if Congress continued to give us funds in these areas we could better design our application forms and our system for review of the applications, and so that we could see if there were any projects worthy of dissemination.

Again, if Congress gives us funds that we were then able to utilize in the funding of new programs, we could go to Congress with the request that we use some of those funds to pay for some dissemination projects.

Senator McClure. You say you have asked for that evaluation?

Ms. Phillips. It is in progress. Right now it is in the writing stage.

Senator McClure. When will it be complete?

Ms. Phillips. It will be completed in about 1 week, and it will be presented to the National Museum Services Board at their April 13 meeting in Nashville.

Senator McClure. Is that the contract of Advanced Technology, Inc.?

Ms. Phillips. Yes, it is.

Senator McClure. How much is that study to cost?

Ms. Phillips. We utilized 1983 administrative funds for the payment of that proposal, and the figure was $114,000 and some change.

Senator McClure. Could you provide a copy of that for the committee files when you receive it?

Ms. Phillips. We certainly will do that.

TERMINATION OF SPECIAL PROJECTS GRANTS PROGRAM

Senator McClure. Has the Museum Services Board approved termination of the special projects grants program?

Ms. Phillips. Yes, they have. They had requested back, I think it was 1982, that no funds be utilized for special projects. They reiterated that at their December 9, 1983, board meeting.

Senator McClure. You have expressed the opinion already that you don't believe the special projects grants achieve any special purpose, and you have indicated that the Museum Services Board has already approved termination of the program.

Is there any reason to have a study made and a report made? Is your mind already made up?

Ms. PHILLIPS. Well, in the past the Board had voted not to spend any money for special projects, and Congress went ahead and appropriated funds for that purpose anyway. I believe in being prepared.

As you say, we have been running programs for several years on which there have been no evaluations made. I don't feel that is a responsible way of running the Government. I don't think you continue to hand out tax dollars year after year without finding out if they have been utilized effectively.

Senator MCCLURE. So the evaluation is more in the event Congress disagrees than it is to give you any advice as to whether or not Congress should agree.

Ms. PHILLIPS. I think that is probably a correct characterization.

Senator MCCLURE. If that is the case, I would assume that the evaluation may or may not be useful to us, but at least it is pointed toward giving us independent advice concerning the utility of having such a project.

Do you have any other study that indicates the fact that the special project grants program hasn't worked effectively?

Ms. PHILLIPS. No.

Senator MCCLURE. Is there anything you could provide to us with respect to external advice or evaluation of the special projects that would reflect upon our decision as to whether or not we should continue to fund that program?

Ms. PHILLIPS. I believe that this study is the only one that has been done on the program as a whole.

Senator MCCLURE. The Museum Services Board has made a recommendation. Did they provide a report?

Ms. PHILLIPS. No; they did not provide a report. It was mentioned in the minutes of the meeting of the Board, and I can provide you with copies of those minutes and the particular sections annotated.

Senator MCCLURE. That would be helpful to us because we don't want to waste money either. Although we may arrive at different judgments, we would like to know what the factual basis of the judgment is.

[The information follows:]

EXCERPT FROM DRAFT MINUTES OF THE DECEMBER 9, 1983, MEETING OF THE NATIONAL MUSEUM SERVICES BOARD

Dr. Raven (chairman of the SP committee) presented the report of the special projects application package committee. He stated that it was still the position of the Board that they "do not favor funding special projects, but rather would like to reserve the resources that come to the Institute of Museum Services for general operating support grants, that being the unique function of the Institute."

DUPLICATION OF SPECIAL PROJECTS IDENTITY OF IMS

Senator MCCLURE. I am going to ask you this question: If your overall budget were higher, would you still recommend the termination of the special projects grant program?

Ms. PHILLIPS. I would, sir. I feel that the unique identity of IMS is to provide general operating support and programs of that nature. I feel that the Institute's special projects grant program is similar in effect to the general operating support program.

It is a small program that makes a small award which provides a valuable service to museums and which reflects on their day-to-day operations, and I think that IMS should not be competing with the two endowments in terms of funding major exhibits and special areas of research. I think that projects are being done in other places.

I think that IMS should not become a Christmas tree with special programs here and special programs there. They only increase administrative costs and make the programs more difficult and confusing for the field.

CONGRESSIONAL INTENT OF SPECIAL PROJECTS

Senator MCCLURE. I understand the project director of this evaluation has been trying to meet with various Senators to find out the congressional intent of special project grants.

Why do you feel it is necessary to hire someone to find out congressional intent?

Ms. PHILLIPS. I didn't hire him to find out congressional intent. That was only one aspect of the study. The desire to meet with Congressmen, Senator, was to determine exactly where the support for this program actually lay, whether Congress really intended it to continue or whether it had been an agency-based request that Congress didn't care about one way or the other.

I think that it was an important part of the history and development of the program to understand where it had come from.

Senator MCCLURE. Do you believe that there may be reasons that aren't reflected in the legislative history and reports?

Ms. PHILLIPS. I think that is frequently true with legislation.

ADDITIONAL COMMITTEE QUESTIONS

Senator MCCLURE. I have some additional questions which I will submit for response in writing for the record. I appreciate your testimony here.

There is a vote on the floor, and as you know, we are going to attempt to resolve one question upon which the legislative history has been made for the last 2 weeks, in a rather desultory fashion our debate on the scope of the program. Perhaps we are going to resolve that question.

Thank you very much for your testimony today, and I will look forward to responses to the written questions.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

Special Projects Evaluation Final Report

Question: Can you share with us some of their (Advanced Technology) preliminary conclusions? When will the final report be available? Please provide a copy of the final report for the Committee files.

Answer: I am unable to provide the Committee with preliminary conclusions prior to the review of the final report by the National Museum Services Board at their April 13, meeting in Nashville. We will be most happy to provide the Committee with a copy of the final report as soon as it is available.

Special Projects Evaluation Objectivity

Question: You are recommending, as Director, that the Special Project grants program be terminated. You are also the Institute's Project Coordinator for the program evaluation contract and the contracting officer. Can you give us your assurance that the program evaluation will be objective?

Answer: I can assure the Committee without any reservation that the program evaluation will be objective. At the time the Request for Proposal for this evaluation project was announced, IMS did not have a permanent staff member at the grade level required to coordinate the project. It is for this reason that I am listed as the Institute's Project Coordinator. I am also the only authorized contracting officer for the Institute. Please remember that IMS has a staff of only 12 (including myself) and that below the level of Director the next senior employee is a GS 12. This individual was brought on, in part to act as a coordinator for IMS contracting activities. Sharon Hawk has acted as project coordinator for this program evaluation since August when she was detailed from the National Institute of Education, and she joined the IMS as a staff member in December of 1983.

Advanced Technology Inc. was selected primarily for their proposal's objectivity by an IMS advisory panel consisting of Carol Whitten, Special Assistant Office of Management, U.S. Department of Education; Roan Garcia-Quintana, Deputy Director, Dissemination and Improvement of Practice, National Institute of Education; Salvatore Cilella, Associate Development Officer, Office of Membership and Development, Smithsonian Institution; Steve Rogers, Museums Program, The National Endowment for the Arts; Anne Duncan Haffner, Member, National Museum Services Board; and John Agresto, Assistant Chairman, The National Endowment for the Humanities. Although I was present for some of the advisory panel's preliminary discussion prior to selecting the contractor, I absented myself from their particular deliberations and vote.

NMSB Re-assessment

Question: In last year's justification, it was stated that the National Museum Services Board would "conduct a re-assessment of the roles and objectives of the Institute and would consider possible new thrusts or changes to ensure that IMS programs meet the present and emerging needs of the museum community." The Committee would find this re-assessment very useful. Was the re-assessment made by the Board? If it was, please provide a summary for the record.

Answer: No, the re-assessment was not made, however, the fiscal year is only half over and the National Museum Services Board at their meeting of April 13, 1984 will consider issues and areas which need to be examined prior to the re-authorization of the Institute in Fiscal Year 1986.

NMSB Budget

Question: The budget request for the Board is $76,000. Historically, the Board has spent less than half of their request. Why should the Committee continue to recommend an allocation that greatly exceeds actual obligations? How much has been spent in 1984 to date? Wouldn't some of the funds be better utilized in program administration? Please provide, for the Record, the calculations that make up the object class estimate for 1985.

Answer: Although historically the expenditures for the Board have been reported at a level far below the amount allocated ($24,100 actual FY 83 compared to $70,000 allocated), many Board costs were absorbed by the Department of Education and never billed to IMS accounts. Now relocated in its fully independent status at the Old Post Office and utilizing the accounting system of the National Endowment for the Humanities, IMS is able to directly charge Board accounts for total actual costs incurred unlike IMS' previous experience at the Department of Education.

As of 2/29/84, IMS had obligated from Board accounts $18,396.10 in costs directly resulting from 2 Board meetings. A total of 5 Board meetings are planned for FY 1984 at a projected cost of over $47,000. To this sum is added 1/2 salaries plus benefits of the Executive Assistant to the Board/Confidential Assistant to the Director (+14,000) who spends more than 1/2 her time on Board matters. The Board will contribute 10% ($10,000) of total IMS SLUC and approximately $3,000 for communications, utilities, mail, and miscellaneous administrative contracts from which the Board benefits.

Several factors, including as yet unbilled SLUC and telephone charges, make it exceedingly difficult to project final FY 84 costs for the IMS and the NMSB. However, our current projections indicate that expenditures will be close to the appropriated Board budget. The calculations that make up the object class estimates for the Board FY 1985 follow.

Obj Class	1985 Estimate
11 Personnel Comp.	$22,000
a) 1100 1/2 salary (1/2 time) Executive Assistant to the NMSB GS 11.1 = 25,366÷2 = 12,683	12,683
b) 1135 Intermittant Employment Payment to NMSB	

full mtgs	$100 x per day x 4 mtgs x 15 membs	= $6,000	
cm mtgs	100 x 2 days x 5 membs (Oct)	= $1,000	
"	100 x 1 day x 5 membs (Dec)	= $ 500	
"	100 x 1 day x 5 membs (March/Apr)	= $ 500	
"	100 x 1 day x 5 membs (July)	= $ 500	
Testimony	100 x 2 days x 2 membs (Spring)	= $ 400	
		$8,900	8,900
Total			$21,583
			22,000 rounded

Obj Class	1985 Estimate
12 Personnel Benefits	
a) 1/2 benefits of (1/2 time) Executive Assistant to NMSB GS 11.1 = 25,366 (25,366 x .103)÷2 = 2,612.69 ÷2 = $1,306.34	1,306.34
b) benefits of intermittant employees* (NMSB) 8,900 x .103 = 916.70	916.70
Total	2,223.04*
	2,000 rounded

* At the time of budget preparation IMS was unaware that Board members received benefits

Obj Class	1985 Estimate
21 Travel and Transportation of Persons	31,000

current actual cost per Bd. mtg = $ 6,910

6,910 x 4 Bd. mtgs = 27,640

27,640 + (4 x 350) = 29,040

2 membs to testify @ 2 hearings

29,040 x .05 = proj. increase in airfare	30,492
	31,000 rounded

Obj Class	1985 Estimate
23.1 Standard Level User Charges	$10,000

Total Estimate IMS SLUC = 104,852.05
(Bill has not been received
by IMS to date)

104,852.05 x .10 = 10,485.20	10,485.20
Total	10,000 rounded

Obj Class	1985 Estimate
23.2 Communications, utilities and other rent	3,000

23.20
23.21
23.22

Total estimated billing for IMS telephone in FY 84 is unknown. (IMS has not received a billing since moving to the Post Office despite numerous attempts by Sara Traut, Director of Admin. and Ray Gleason, Accounting Officer, NEH to locate such billing from GSA.)

Estimate total IMS telephone NTE $1,000 per mo. 12,000 x .10 = 1,200	1,200
23.11 Rental of ADP Equip 25% of Word processor rental 5,905 x .25 = $1,476	1,476 2,676
	$3,000 rounded

Obj Class	1985 Estimate
24 Printing and Reproduction	$2,000
4 Notices of Meeting published in the Federal Register 4 x $408.-(page) = $1,632	$1,632
	2,000 rounded

Obj Class		1985 Estimate
25 Other Services		5,000
a) Stenography services $400 per mtg x 4 mtgs =	1,600	
$400 per mtg x 4 cmm mtgs =	1,600	
b) Express mail $50 x 12 mos.	600	
c) Total IMS Xerox Maint. Contract = 1,600 x .25 = 400	400	
d) Arrangements for Board Mtgs Hoppman Sound 195 Room set up 200	395	
		4,595
		5,000 rounded

Obj Class		1985 Estimate
26 Supplies and Materials		2,000
meeting supplies 15 members x 75 each =	1,125	
Board stationary	450	
		1,575
		2,000 rounded

Appropriation Language

Question: Please provide, for the record, your justification to eliminate appropriation language:

That regulations of the Institute shall require (1) an appeal process for applications rejected because of technical deficiency, (2) reconsideration of applications upon receipt of materials in a timely manner if the application was rejected because material did not accompany the application, and (3) waivers of certain records under circumstances which would require such waivers: Provided further, That no regulations may be established that prohibit grants to any institution which is a recipient of a challenge grant from either the National Endowment for the Arts or the National Endowment for Humanities.

Answer: The Institute of Museum Services requests the removal of the above language because Section 1180.37 of IMS General Operating Support and Special Project Regulations published as final June 17, 1983 states:

(a) An applicant whose application is rejected because of technical deficiency may appeal such rejection in writing to the Director within 10 days of postmark of notice of rejection.
(b) If an application was rejected because material did not accompany the application, the Director shall reconsider the application upon receipt of material in a timely manner.
(c) As has always been the practice of IMS, the Director waives the requirement in these regulations of certain records under circumstances which would require such waivers where the regulations specifically provide for waiver. (See §1180.5(b)(Pub. L. 97-394)

The 1984 General Operating Support, Special Project and Conservation program application packets published and distributed by IMS in FY 84 include the Final Regulations as published June 17, 1983. Section 1180.5(g) regarding Challenge Grants has been crossed out and footnoted that the provision has been eliminated by the Fiscal Year 1984 Department of the Interior and Related Agencies Appropriation Act, P.L. 98-146. The Institute maintains that the National Museum Services Board as constituted in the agency's enabling legislation retains the authority to set policy for the agency.

SUBCOMMITTEE RECESS

Senator McClure. The subcommittee will stand in recess until Thursday, March 22, at 10 a.m., at which time we will review the fiscal year 1985 budget estimates for the National Gallery of Art and the Minerals Management Service.

[Whereupon, at 3:12 p.m., Tuesday, March 20, the subcommittee was recessed, to reconvene at 10 a.m., Thursday, March 22.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1985

THURSDAY, MARCH 22, 1984

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10 a.m., in room SD–138, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senator McClure.

NATIONAL GALLERY OF ART

STATEMENT OF J. CARTER BROWN, DIRECTOR

ACCOMPANIED BY:
- JOHN WILMERDING, DEPUTY DIRECTOR
- ROBERT C. GOETZ, TREASURER
- WILLIAM H. ROACHE, BUDGET OFFICER

PREPARED STATEMENT

Senator McCLURE. Good morning. This is the time scheduled to review the fiscal year 1985 budget estimates for the National Gallery of Art and the Minerals Management Service.

We will begin with the gallery.

The fiscal year 1985 estimate for the National Gallery of Art totals $36,121,000, an increase of $1,482,000 over fiscal year 1984 appropriations to date. Also pending is a fiscal year 1984 pay supplemental in the amount of $243,000.

Mr. Brown, it is a pleasure to have you before the committee again. Your entire opening statement will be included in the record at this point.

[The statement follows:]

STATEMENT OF J. CARTER BROWN

Attendance at the National Gallery has averaged nearly 6 million in recent years. The primary reason for this continued high attendance has been attributed to the success of our special exhibitions program and continued public interest in the East Building as well as renewed interest in the West Building with the opening of new ground level public galleries in January 1983. The added gallery space of both the East and West Buildings and increased funding (Federal and non-Federal) have likewise contributed to this success.

Our fiscal year 1985 Federal funds budget request includes $4.2 million for the West Building renovation and restoration program approved by OMB and included in the President's budget for fiscal 1985. Completion of this phase is now scheduled in 1988 with total Federal costs estimated at $21,950,000, which is $3 million less than originally estimated.

Our fiscal year 1985 Federal funds budget request also includes $1,992,000 for our special exhibition program. In January 1983, we were able to realize the long-standing plan of making available to the public additional exhibition space in the West Building, made possible by the construction of the East Building with donated funds, and the remodeling of the ground floor of the West Building with a combination of donated and appropriated funds. The net effect of this new construction was to increase our ability to show our permanent collection, and, in addition, to create the need to fill the new spaces with borrowed exhibitions, particularly of old master drawings, in which our own collections are still relatively weak.

The fiscal year 1985 Federal funds budget request, as amended by OMB, totals $36,121,000 and 823 full-time permanent positions with an OMB limitation of 767 FTE (full-time equivalent) employment. This amount reflects total increases of $1,652,000 offset by total decreases of $413,000, resulting in a net increase of $1,239,000 (3.6 percent over the fiscal year 1984 budget of $34,882,000.

Fifty-two percent ($866,000) of the total increases is associated with personnel compensation. This increase provides: $201,000 for mandatory within-grade and wage board step increases; $429,000 for annualization of the fiscal year 1984 pay raise; $120,000 for increased costs of health benefits to adjust for under budgeting in fiscal 1983 and 1984; $135,000 for accident compensation and unemployment compensation (not previously included in the gallery's budget); and $19,000 reduction in budget authority for general schedule employment (GS–11 through GS–15).

Two percent ($38,000) of the total increases is required for the increased costs of rents, communications, and utilities. This amount consists of $17,000 to cover the increased costs of photocopy and word processing equipment and structural rental; and $21,000 to cover the increase of telephone and postage costs.

Twenty-three percent ($382,000) of the total increases is requested in support of the gallery's special exhibition program. This is due to the addition of public exhibition space in the West Building which created the need to fill the new spaces with borrowed exhibitions.

Twenty-two percent ($356,000) of the total increases is needed to cover the increased costs as well as provide for additional quantities of materials, supplies and services, and travel and transportation in support of the basic gallery operations. This amount consists of $13,000 for travel, $10,000 for transportation, $294,000 for services, and $39,000 for supplies and materials.

The final 1 percent ($10,000) of the total increases is for increased costs and additional quantities of information booklets, calendars of events, gallery leaflets, extension service catalogs, and other printing.

Offsetting the above increases are decreases in equipment of $94,000, decreases in lands and structures of $269,000, and decreases in the West Building repair, renovation, and restoration program of $50,000.

In summary, the appropriation for fiscal year 1985 is $36,121,000—a net increase of $1,239,000 over the 1984 budget. Comprising the total increases are: personnel compensation and benefits—$866,000; rents, communications, and utilities—$38,000; special exhibitions—$382,000; materials, supplies, and services—$356,000; printing and reproduction—$10,000; equipment decrease—($94,000); lands and structures decrease—($269,000); and renovation program decrease—($50,000).

INTRODUCTION OF ASSOCIATES

Senator McClure. As we have two agencies that are here today, if you would just introduce the people that are with you at the table this morning, we will then proceed directly to the questions.

Mr. Brown. To my right is the Deputy Director of the National Gallery, John Wilmerding, and to my left, the Treasurer of the gallery, Robert Goetz, and to his left, the Budget Officer, Mr. William Roache.

NEW CONSERVATION AND LIBRARY POSITIONS

Senator McClure. Thank you very much. As a part of the action on the fiscal 1984 bill, Congress provided the gallery with an increase of $250,000 for conservation and library positions. Within this amount, $51,000 was earmarked to permit the conversion of four positions to the Federal payroll, which are currently funded through a grant, which is then to expire.

How many additional positions can be funded within the total, and how many positions has the gallery filled?

Mr. Brown. Well, Mr. Chairman, we were enormously relieved to have this appropriation, and we took immediate action to put the people on the private roll grant that was expiring over to the Government side. Since then there has been some turnover, and some of these are filled and some of these are in the process of recruiting, but we are eager to get them filled as soon as we can.

The specific number, in addition to that, I would have to supply for the record.

Senator McClure. If you would do so, please.

[The information follows:]

Besides the four grant positions being converted to Federal funds, five additional positions in conservation can be filled with the increased appropriation to date.

CONSERVATION RECRUITING

Senator McClure. How many people to whom you've offered these positions have declined, due to the salary scale?

Mr. Brown. We have made an analysis of that, and I have a list here. On 10 of them, we have specific information about salary. Others declined, and we never know to what extent that plays a factor.

Senator McClure. Is that analysis something you could furnish to the committee?

Mr. Brown. I'd be happy to.

Senator McClure. If you would, please, that might be helpful to us.

[The information follows:]

To date 15 individuals from 11 different institutions including 4 foreign institutions have declined conservation positions. Of these at least six have declined on the basis of salary.

FUNDING OF CONSERVATION POSITIONS

Senator McClure. The justification states that the gallery requires at least 15 additional conservation positions. Is there a possibility that you will have to transfer some of the conservation positions to the trust payroll, in order to meet the salary requirements of qualified personnel?

Mr. Brown. We have already done this in one case, Mr. Chairman. In fact, we were able to get a generous grant from a private foundation to endow the chair, as it were, of the head of the Conservation Department. We were told at the same time that there would be a small amount of additional money for programmatic needs, such as an intern program and scholarships, but that in view of the same foundation being approached for our impending priority of the art purchase fund, that we could not expect them to help more in the conservation fund.

FEDERAL CONTRACT FUNDS FOR CONSERVATION

So the solution, it seems to us, is to use our authority, which we have had each year, but always in rather limited amounts, for contracting, in that these conservators are highly skilled people and are very difficult to locate. We really feel that we owe it to the stature of this collection, internationally, to recruit on an international scale and get the best possible people, no matter what their passport. And our hope is that we will have some flexibility in this pressing conservation area, so that we can get the Department built up to the level which it needs to be at.

Senator McClure. I'm not sure I understood if you had answered as to whether you are going to be able to get what you need out of the salary appropriation, or whether you're going to have to transfer some of the conservation positions to trust payroll.

Mr. Brown. Well, the problem is that there is no trust payroll there to transfer them to, so that we really are mandated to find ways of supporting them from the Federal side, and if it can be done with contracting money, as well as the regular positions, I think the answer is yes, we will be able to fill these slots.

Senator McClure. You do pay some salary from trust funds, do you not?

Mr. Brown. We now pay the top conservator, having successfully raised this endowed pledge.

Senator McClure. But you don't intend to expand that?

Mr. Brown. We don't see realistically how we can.

Senator McClure. I see.

Mr. Brown. But the ones—I think maybe what you're getting at, there were some that were paid out of trust funds on an emergency grant basis to tide us over, and that was a consumable fund, which was there until it ran out. And luckily, you came to our rescue just in time. Additional funds would not be available, because they were not endowment funds.

Senator McClure. We have been told that you're having trouble filling the positions within Federal salary ranges. That's what I was asking earlier. How many people have refused to accept based upon pay. Are you going to have to go to the trust fund to meet the salary requirements of the people you need. You're telling me you don't think you can do that. If I understood you correctly, you think it's going to be supported out of Federal funds.

Mr. Brown. Exactly.

CONSERVATION VACANCIES

Senator McClure. Please provide for the record the vacancies that you now have.

[The information follows:]

Current full-time conservation position vacancies are: head, painting conservation; head, object conservation; head, Scientific Department; conservation scientist; exhibitions and loans conservator; and program assistant.

SUPPLEMENTAL PAY REQUIREMENTS

Senator McClure. In view of the lapse of time at filling these positions, would you please review your supplemental pay requirements to determine if the full amount requested is still required?

Mr. Brown. We'd be happy to do that, sir.

SPECIAL EXHIBITION PROGRAM WORKLOAD ON CONSERVATION DEPARTMENT

Senator McClure. While we discuss your request for special exhibitions a little later, I am interested in the workload the special exhibition program places on the Conservation Department.

How often do lending institutions request that the gallery provide some conservation treatment for objects that are part of the special exhibition program?

Mr. Brown. I would say that this never infringes on our conservation staff, unless, in rare instances, something should begin to develop while the object is in our custody, and, with permission of the owner, often we will do some first aid treatment, but usually that is extremely minor.

It has come up with us that lenders have offered to lend a picture only if they can get help to have it put into proper shape, and although we're very sympathetic, we feel that we are not "Uncle Sugar," and it's really their problem, it's their object, and its long-range future is their responsibility, so that we have not allowed ourselves to be put in the position of going around and conserving other people's pictures.

Senator McClure. What proportion of the conservator's time is spent working on special exhibition objects?

Mr. Brown. It's hard to quantify that, but given the undermanned status of our conservation staff at the moment, I think it could go to as high as 20 percent of their time. And what they are doing—well, it's not major treatment, however, as I said, it's by way of inspection and conservation reports, so that we can assure the lender when an object arrives at the gallery that it is in the same condition as when it left the lender. And then when it leaves us again, it has to be checked a second time.

CURATORIAL STAFF

Senator McClure. How many curators does the gallery employ?

Mr. Brown. Our professional staff, all told, is about 300. The number of curators within that might be 28 or 30.

Senator McClure. Are they all on the Federal payroll?

Mr. Brown. All except the chief curator, who has joined us just this year. When the Congress originally set up the National Gallery, part of the initial legislation allowed for a private funds position known as chief curator, and we have filled this position with a very distinguished art historian, a professor for many decades at Harvard University. He's with us today.

Mr. Chairman, I'd like to introduce to you, Professor Freedberg.

Senator McClure. Glad to have you with us today, Professor.

I understand the curators are required to be on duty only 4 days a week. What are their duties on the fifth day?

RESEARCH DAY PROGRAM

Mr. Brown. That I think is a misconception, Mr. Chairman, but I would be happy to try to explain a program that we've had for many years, and which I feel is immensely valuable to the National Gallery. This is a research day program, by which certain professionals who have met requirements, and can prove themselves able to continue to meet these requirements, are given up to 1 day a week to work on scholarly activities which relate to their professional development and indirectly to the gallery.

This program has been going for over a decade, and it is very tightly administered with a set of forms that they have to fill out and the requirement that they have to show how the time is used and submit galley proofs or offprints or other scholarly work that has been produced, and we report on this very proudly in our annual report, by listing all the scholarly work that is accomplished under this program. And we'd be happy to submit to you copies of annual reports for the last few years, which list this. But to put it in perspective, we monitor this so carefully that not all of our professional staff, by any means, is allowed automatically to participate in this program.

Last year, I think 14 were involved in this out of, as I said, a professional staff of about 300 people.

Senator McClure. Do you know of any other Federal agencies which have a similar policy or program?

Mr. Brown. I don't, but I know that a lot of scientific work is accomplished in NASA and the National Institutes of Health and the other research arms of the national Government. The Smithsonian, I understand, has a program. I've seen a detailed outline of that which dates back now some years, which also has some very similar characteristics.

CURATORIAL RESEARCH GUIDELINES

Senator McClure. If any of your professionals were to publish as a result of their study and research supported by the gallery, would any royalties accrued go to the gallery?

Mr. Brown. Yes; they would certainly not accrue to the individual, and our Board of Trustees has approved a code of ethics which has been worked out very carefully with our legal in-house counsel and our curators. And in that, it is specifically mentioned that independent work done on a research day is done on gallery time, and therefore, that triggers off the prohibitions against any royalties accruing to the benefit of any individual. They all accrue to the National Gallery.

Senator McClure. Would you provide to the committee a copy of that memoranda, the guidelines, together with a review, if needed, and a statement with respect to whether or not that's been followed through. Can you assure the committee that it's been followed in every respect?

Mr. Brown. We'd be happy to do that. I should point out that we monitor it so closely that we have in the last year denied this opportunity to two curators, on the basis of not quite living up to the guidelines imposed. So it's under constant review.

Senator McClure. Thank you.

[The information follows:]

September 1, 1983

RESEARCH DAY PROGRAM POLICY

Memorandum to all Senior and Mid-Level Curators (GS-9 and above)

From: The Deputy Director via the Chief Curator

Ref: Basic Memorandum of January 2, 1972; revised October 8, 1976; and September 1, 1983

As a seasoned professional you will appreciate that little constructive thought, research or writing can be undertaken at one's business desk. Accordingly, I recommend that one day a week you insulate yourself from the telephone and other distractions in order to pursue your art historical studies and research. The following plans and assumptions will be in effect.

Although research will, of course, be in your own field I would suggest either that it be specifically oriented toward NGA research problems or have the nature of general or "pure" research in the area of your own special qualifications, the development of which are indeed in the interests of the National Gallery.

In order to initiate a Research Day Program a Curator should send to the Chief Curator (through a Department Head if any) a description of planned research for consideration which may be appropriately endorsed and kept on record. The attached form is available for that purpose, and if in order, the subject to be pursued will be designated as an official assignment by the Director, the Deputy Director, or Chief Curator. A record of your research days and your accomplishments will be maintained in the Chief Curator's office. When an approved program has ended a Curator should fill out a new form and process it.

After we have worked out who may take what weekday for this purpose, the agreed research day will be a matter of record in the Chief Curator's office and should not be changed. Each research day morning please call the appropriate office about nine o'clock and say where you can be reached if needed. You should also call the office again before five o'clock to find out if there is any official business that needs your attention.

Once a year, in the summer, a report on your research activities over the preceding twelve months will be called for and should be accompanied by evidence of your productivity (copies of publications, lectures, or other evidence), which will be retained in the RDP file. On the basis of this report the RDP of a curator will be continued or discontinued.

Under special circumstances up to five days may be accumulated in successive weeks after which a corresponding number of successive research days may be taken under the same general rules. However, this will require planning and scheduling and should be proposed in a note to the Chief Curator to be approved before commencing the accumulation.

No expenses are reimbursable under the Research Day Program.

When you are absent from the building for research purposes, you must arrange to have normal or routine matters taken care of by someone else and reported to you later.

I hope that this will provide you with reasonable official research opportunitites which will make your National Gallery service more challenging and rewarding, and your value to the Gallery greater, too. Please bear in mind, however, that other assigned duties and responsibilities may at times interfere and do take precedence over planned research days. The responsibility of determining when this applies is yours.

In another memorandum of January 2, 1972, Curatorial Department Heads were authorized to extend Research Day privileges to certain curators in their departments. This memorandum is hereby revoked, as all parts of the RDP will be arranged from the DC office.

RDP is a widely appreciated innovation which must be carefully nurtured and its procedures and records system scrupulously adhered to if it is not to be brought into question or even terminated.

NATIONAL GALLERY OF ART

NOTICE OF TEMPORARY OFFICIAL DUTY LOCATION CHANGE

Staff Member ______________________________

Position ______________________________

Will be working from __________ to __________ on ______________
(Hours) (Day)

At ______________________________
(Location)

On ______________________________
(Subject)

____

The telephone number, in the event of emergency, is __________

______________________ Executive Officer

______________________ Signature of Staff Member

______________________ (Date)

Memorandum to all Curators

From: The Chief Curator

Subject: Report on Research Days taken during the last year

The purpose of Research Days, as you all know, is to provide time to qualified curators for art historical research and writing. The days are not to be used for official business or for privately remunerated work, and are intended to provide for productive work in the field of art and art history outside your regular job area.

The research should increase your professional stature and should be of scholarly interest and value to you. The NGA and the profession at large should be enhanced as well.

I would like to have from you a report of Research Day activity over the past year covering the period July 1 to June 30. This is due not later than August 22. It should: (1) state specifically how many research days were taken, and (2) cite in detail what progress was made on lectures, books, outside exhibitions, or articles, giving titles and places of past or anticipated realization or publication.

Please attach an offprint or galley-proof or other evidence of the works referred to or discussed, and any other relevant evidence of scholarly productivity outside of NGA publications.

Circulated annually each July.

Excerpt From NGA Circular No. 36 Dated January 24, 1984

(underscoring supplied)

D) Scholarly Activities and Publication

Employees are encouraged to teach, lecture, write, edit and publish.

All writing and publications that are prepared within the scope of employment at the Gallery are the property of the Gallery as "works made for hire" and the Gallery shall have all rights therein, except to the extent that the Gallery has agreed otherwise, in writing, prior to publication or as a condition of employment. An employee must obtain prior written approval from his Executive Officer to engage in any other scholarly activity or publication on Gallery time.

Only when the scholarly activity or publication is not performed or created primarily during time on duty at the Gallery ("Gallery time") and is performed or created with a substantial investment of the individual's off-duty time and energies may an employee accept outside remuneration (fees, honoraria, royalties, etc.) for it. Independent work done on a "research day" is considered done on Gallery time.

Any unauthorized outside remuneration that is received by an employee is deemed to be received in trust for the Gallery and must be turned over to the Gallery Treasurer.

April 10, 1984

Memorandum for Senate Testimony

From: The Director

Subject: National Gallery of Art Research Program

Fifteen individuals used the opportunity of the Research Day Program during the last year, September 1, 1982 to August 31, 1983.

All of them submitted written reports to the Chief Curator's office for review, as required, and were deemed to be complying satisfactorily with the procedures and expectations of the program. The results of their work are reported in this year's Annual Report, under "Staff Activities and Publications."

Based on the Chief Curator's report to me, I can assure the committee that our policies for the research program are being adhered to.

J. Carter Brown

DECREASE OF TOTAL OUTLAYS

Senator McClure. Between fiscal years 1980 and 1985, total Federal outlays of gallery funds are expected to increase by 83.5 percent. In the 5-fiscal years from 1984 to 1989, total outlays are expected to decrease by 7.6 percent with the first reductions to occur in fiscal year 1988.

What is the basis for those projections, and do you support those estimates?

Mr. Brown. I do, Mr. Chairman. And the major factor, I believe, is our construction renovation program, which is fundamentally there to complete the building which was given to us in 1941 as a shell with areas left for future generations to develop. That program goes through 1987. It's a $22 million program overall. It's been spaced out so that we keep after it, and we have levels of up to $4 million a year, and that is now beginning to reach the top of the hill—that kind of hill. And we are looking forward to getting that behind us.

Basically, the gallery I have always looked at as being an institution on whose growth there are very real limits. Geographically, it is not going to expand beyond the two buildings that it now inhabits. And in terms of what funding it will need in the future, I have every confidence that if we could ever once get up to the plateau on which we could run it at the level which we projected when we went to the Congress with this wonderful gift of the East Building, we would then have an organization which would remain at that plateau for a long time.

I should state that these figures operate at the request of OMB on the basis of GNP deflators, and these are straight-line salaries, so it does not really tell what might happen, as far as compensation levels at that time.

Senator McClure. There is no inflation?

Mr. Brown. There is, to the extent of the GNP deflator per OMB.

Senator McClure. I wasn't sure I understood that comment.

NATIONAL SCULPTURE GARDEN

The House and Senate Interior Appropriation Subcommittees have recently approved the National Park Service proposal to proceed with construction of a restaurant facility on the Mall adjacent to the proposed sculpture garden. According to the original plan, what was to be the gallery's role in the sculpture garden.

Mr. Brown. Well, Mr. Chairman, this all goes back to an agreement which was signed between the President of the National Gallery, then Paul Mellon, and the Secretary of the Interior, in which we worked out a cooperative agreement for the development of that plot, which is just to the west of the National Gallery there in front of the National Archives. The concept was—and I'll be happy to submit a copy of the agreement, if you would like to see it.

Senator McClure. If you would, please.

[The information follows:]

COOPERATIVE AGREEMENT BETWEEN THE DEPARTMENT OF THE INTERIOR AND THE NATIONAL GALLERY OF ART RELATING TO THE ESTABLISHMENT, CARE, CUSTODY, MAINTENANCE, AND PROTECTION OF THE NATIONAL SCULPTURE GARDEN IN L'ENFANT SQUARE, WASHINGTON, D.C.

THIS AGREEMENT, made and entered into this 2d day of May, 1966, by and between the Department of the Interior, represented by the Secretary of the Interior, hereinafter referred to as the "Secretary," and the National Gallery of Art, hereinafter referred to as "Gallery";

WITNESSETH:

WHEREAS, the report of the President's Council on Pennsylvania Avenue suggested the creation of a Sculpture Garden by the Gallery on the Mall between the Gallery and the Museum of Natural History, known as L'Enfant Square; and

WHEREAS, the Secretary has authorized the National Park Service to contract for a design for the development of the Mall including a proposed Sculpture Garden; and

WHEREAS, it is the intention of the Secretary that this Garden be developed in collaboration with the Gallery; and

WHEREAS, the Gallery has advised the Secretary of its desire to cooperate fully in the development of park lands in the Mall in the area of L'Enfant Square; and

WHEREAS, the parties signatory hereto desire that work be begun as soon as possible looking toward the completion of this project; and

WHEREAS, in order to achieve this objective, it is essential that there be a delineation of the areas of responsibility with respect to the activity of the parties signatory hereto;

NOW THEREFORE, in consideration of the mutual promises and agreements contained herein, subject to the availability of funds, the parties hereto agree as follows:

1. The Secretary, through the National Park Service and at its expenses, will be responsible for—

(a) The construction, landscaping, lighting (both display and ambulatory), policing, maintenance, and security of the Sculpture Garden and for the security of the works of art therein; and

(b) The installation and erection of the sculpture in the Garden (including, without limiting the generality of the foregoing, all work necessary or required for this purpose, such as the pouring of foundations) with the right in the Gallery to supervise this activity to the extent of erecting the works of art.

With respect to the landscaping, designing, and the display lighting, the views of the Gallery with respect thereto are to be solicited and considered. The Secretary shall have final authority in the areas as to the foregoing, but decisions pertaining thereto will be made by him only after first obtaining the recommendations of the Gallery in regard to plans with respect to landscaping, designing, and display lighting.

2. The Gallery at its expense will be responsible for acquiring the sculpture to be displayed in the Garden, its physical care, maintenance, and labeling, and such educational programs with respect to such works of art as the Gallery may ultimately determine. The Gallery will have the final decision for the selection of the sculpture to be located in the Garden. To assist the Gallery in this undertaking, an Advisory Selection Committee, constituted as set forth below, may make recommendations to the Gallery for its consideration with respect to the sculpture to be installed. This Committee will consist of the Director of the National Gallery of Art, as Chairman; and

The Secretary of the Interior or his designee;
The Secretary of the Smithsonian Institution or his designee;
The Chairman of the Fine Arts Commission or his designee; and
The Chairman of the National Council on the Arts or his designee.

3. It is jointly understood and agreed that unless otherwise required by Congressional legislation there will be no subsurface parking under the National Sculpture Garden on L'Enfant Square after its creation.

4. The Gallery shall retain all right, title, and interest in and to any and all works of art installed and erected in the Sculpture Garden, and such installation and erection shall not in any way vest in the Department of the Interior, its Bureaus or Services,

any right, title, or interest in said works of art. The Gallery shall have the right at any time to remove any work of art from the Sculpture Garden for the purpose of maintenance, repair, replacement, or substitution.

IN WITNESS WHEREOF, the parties hereto have subscribed their seals the day, month, and year aforesaid.

The Department of the Interior:

STEWART L. UDALL, *Secretary.*

The National Gallery of Art:

PAUL MELLON, *President.*

Attest:

ERNEST R. FEIDLER, *Secretary.*

FUTURE DEVELOPMENT OF SCULPTURE GARDEN

Mr. BROWN. The concept was basically that this would be reserved for future development as a national sculpture garden open to a variety of donors, unlike the Hirshhorn garden across the way, which was devoted to a single collection. And the Park Service would undertake to develop this space and build whatever infrastructure is necessary, eventually, for the display of sculpture there, and the trustees of the National Gallery would undertake to provide sculpture for it and curatorial input, and so forth.

In the original design development, it was proposed that there be a central pool, and as I remember it, I then suggested that it be convertible into a skating rink in the wintertime, because I felt more people would come and look at sculpture in the snow, if they had some other reason to come down. However, we had some difficulty with the National Capital Planning Committee on that, because they felt art and skating were incompatible activities. [Laughter.]

The person who objected apparently got quite a severe talking to by his wife, and by the next meeting, the skating was approved. [Laughter.]

And the plan was quite successful. And the Park Service runs it on a concession basis, and it's quite a lively place.

Senator MCCLURE. According to the Department of the Interior, the 1966 master plan for the Mall was reviewed in 1974, and that review reinforced the need for the national sculpture garden. The concept of the sculpture garden was supported in 1974, despite the fact that in 1971, you had informed the Department of the Interior that the private funds which the gallery had hoped would be available for the project would, indeed, be unavailable.

Since 1971, has any interest been expressed by any private donor in assisting for this project?

Mr. BROWN. I took a possible donor over there a few months ago and walked him through it, and he has a sculpture collection of his own, and I tried to paint a very rosy picture of this. We haven't heard since, but I am going to have lunch with him in June out where he comes from, in hopes of keeping after his possible interest.

I think some erroneous impressions have perhaps been given by communications problems with successor people in the Department of the Interior. I called up George Hartzog, who was the Director of the National Park Service at the time that all of these plans were being done, to confirm his memory as being the same as mine. And he did agree that the National Gallery never offered to find the funds to develop the infrastructure.

I did have conversations saying that if the time came, we would certainly try to help in raising such funds, and it was mentioned, the Andrew W. Mellon Foundation as a possible recipient of such a request, at that time. The plans then began to develop for the building of the East Building. The foundation put some $35 million into that, and it became quite apparent that it would not be possible to build as well on the other side of the National Gallery West Building. I so informed him, and he understood that at the time.

Senator McClure. You referred a moment ago to a cooperative agreement, and you're going to provide a copy of that to the committee. What's the date of that cooperative agreement?

Mr. Brown. I have it right here. It's May 1966.

Senator McClure. And there is no update of the cooperative agreement? That's the one that's still in effect?

Mr. Brown. Still in effect. I have talked at frequent intervals with the people at the Park Service about it.

Senator McClure. Does that cover all of the relationships between the National Park Service and the gallery, insofar as planning, designing, funding, and maintenance are concerned?

Mr. Brown. As far as I know, it does.

Senator McClure. From your review of the document and knowing where you are, is that 1966 agreement still appropriate to 1984?

Mr. Brown. It is. It's been a low priority in the gallery's agenda, in that we've had a few other things on our plate. And to the extent that we've been able to find people being willing to give us sculpture, we have a rather large volume in the East Building to fill and quite a space around it.

So this is an opportunity which may not mature for a while, but it will be a wonderful opportunity someday. And I think one has to, in planning, take a long view, the further away we get from the type of taste that is represented by the sculpture garden that's already there, gives an opportunity for the two gardens to develop a kind of dialog between them and each make a different kind of statement.

So I think time is on our side, particularly, that in the meantime, it has these other uses for skating and recreation and has been saved from being built on, which I think none of the commissions would like to see occur.

SPECIAL EXHIBITIONS PROGRAM

Senator McClure. Mr. Brown, as you are well aware, the only real difference Congress has had with the gallery over the last several years relates to the special exhibition budget. The Senate made an effort to resolve the conflict last year by providing your full budget request and by lifting the fiscal year limitation. When the full amount was not agreed to in the conference, at the initiation of the Senate, additional funds were made available through a supplemental appropriation bill.

WEST BUILDING EXHIBITIONS

The fiscal year 1985 justification raises some new questions, specifically, the fact that the gallery has made commitments over $800,000 for special exhibitions to be held in the West Building in fiscal year 1985.

Further, the gallery began holding special exhibitions in the West Building in fiscal year 1984, with absolutely no notification to Congress, which seems odd, in view of the concerns which have been expressed over the years regarding the expense of this special exhibition program.

Since the opening of the East Building the gallery has never indicated that the West Building would be used for special exhibitions. To quote from the gallery's justification of the work plans for the renovation of the West Building—and I quote:

> 1982 program, sculpture gardens, galleries; to provide for display of the National Gallery's exceptional collection of small sculpture. 1983 program, galleries, main floor, southwest; to make possible the effective display of the gallery's collection of 16th and 17th century European art. 1984 program, galleries, main floor, northeast; for the display of important works in the gallery's collection of 19th century art.

Not until the fiscal year 1985 justification do we learn that "the net effect of the new construction was to create the need to fill the new spaces with borrowed exhibitions."

PERMANENT COLLECTION DISPLAY

What portion of the gallery's permanent collection is currently on display?

Mr. Brown. I'm delighted to have an opportunity to talk to this, Mr. Chairman, because I think perhaps again there are some misconceptions. The renovation of the West Building has, in fact, been very effective in helping us exhibit more of our permanent collection.

The number of objects exhibited in the categories of paintings, sculpture, and the decorative arts before we started this renovation program was 1,200. Since opening the first phase of it, which is the ground floor galleries, we now have 2,500 objects, which is a majoration of almost 100 percent of what we have been able to show.

The ground floor has, therefore, now about 33,500 square feet of exhibition space and the renovation program is in the process of putting onstream an additional 10,000 on the main floor for a total of 43,500. Of this space, we are planning, with your concurrence, to dedicate about 6,000 square feet, or 13.8 percent, for temporary exhibitions of a loan nature.

Now, as part of this problem, I think, confusion arises from a question of semantics. When we came to you with the proposal to develop the ground floor area for exhibiting small sculpture and graphic arts, we had in view, and in our justifications we had mentioned, the graphic arts of the National Gallery.

Those are displayed in two basic ways. We have survey exhibitions and we have thematic exhibitions. The point is that they are all temporary exhibitions; that one cannot show graphic arts in any other way.

They are very subject to fading by light and we are not able in good conscience to exhibit our permanent collection of graphic arts for more than a few weeks at a time. This means that in exhibiting our works on paper we are into the special exhibition business willy-nilly.

Now, our hope is always to have a certain percentage of that and a large percentage of the square footage taken care of by special exhibitions that are taken out of our permanent collection on a survey basis. But when we get into thematic exhibitions, we have a large component from our own collections; but we have a problem with going to all the scholarly work and then not taking advantage of related material which is in other collections.

GRAPHICS EXHIBITION PROGRAM

That has gotten us into a definition of the graphics exhibition program as involving borrowed objects as well as ones that we own ourselves.

Now, when we opened the East Building we had in mind—and I think this is where some of the confusion has come in our budget submissions—that graphic shows generally that were borrowed would be exhibited in the East Building. What we have learned is that the East Building is not very well suited to graphic shows.

The problem is that modern conservators have put such heavy restrictions on the foot-candles that can be used to illuminate these objects, that we have very low lighting levels in any gallery that exhibits works on paper. The East Building, on the other hand, was designed to bring in God's light flooding down into that main space.

So our visitors walk from this glorious main space into a small gallery for graphic arts and it takes 20 minutes for the eye to dilate to its full sensitivity in a dark space. So their first impression in their first 20 minutes in that show is that this is gloomsville.

We have been criticized in the Washington Post, we have letters of complaint from our visitors saying "Don't make us look at objects that you obviously don't care about enough to illuminate properly."

Now, a way of getting around that is to put visitors in an environment which is already out of natural light, as the whole ground floor of the National Gallery is in its West Building, and allow the process of getting through the building and stopping at the cafeteria and checking their coats, and all of these things, to add up to the time at which their eyes can begin to make this adjustment.

Then they walk into a drawings show and they think, relatively, it looks very bright. So that generally we have decided that for that reason, and for another scholarly and art historical reason, it's important to show graphics in the West Building.

These are usually old master artists. They are the same artists who did the paintings upstairs. And we would like to have them have an opportunity to be in context.

HISTORY OF EXHIBITIONS IN WEST BUILDING

Now, I should point out for the record that the National Gallery has always had special exhibitions in the West Building. Obviously, until the East Building was built, all our special exhibitions were over there. Even since then we have had, from time to time, a whole series of exhibitions in the West Building.

If they were Dutch history paintings, we had them upstairs with the 17th century collections. If they were French 17th century paintings, we had them in the West Building.

So I think it begins to even itself out that we have them both places. Where we've got caught—and this is absolutely to our shame and we're the first to admit our own shortsightedness—is that in moving our graphics exhibition program over to the new graphics museum within a museum so that they can be in the right lighting and be close to our own collection, we have now created a net new amount of volume that needs to be filled with temporary shows.

So one should look at the budget in terms of a net addition to the space that has to be filled taking the two buildings together.

TOTAL NEW EXHIBIT SPACE

Senator McCLURE. Where is that net new space? Is that in the West Building?

Mr. BROWN. It is in the total of both of them. The West Building now has the suite of 14 galleries in the graphics area and it is into those galleries that we would hope, this year, to put some of these very exciting shows.

Senator McCLURE. Well, I'm not talking about whether the shows are good.

Mr. BROWN. Yes.

Senator McCLURE. Your justification in the past was you needed the space and now that you have the space you say that you need exhibitions to fill them.

Those two statements don't fit; and I think if you would look at it from our standpoint we think we're getting whipsawed a little.

Mr. BROWN. I see. All right.

Senator McCLURE. You say you needed the space, and now you've got it you say because you have the space you can't fill it and you need special exhibits to fill it. Now, who are you trying to kid?

Mr. BROWN. I think that's absolutely true if you're really just looking at the West Building. If you're looking at the two buildings together, if you take the graphics exhibitions out of East Building and put them in the West, then in fact you're needing to fill the space they have come out of——

Senator McCLURE. In the East Building.

Mr. BROWN. So that probably we have not stated it as adroitly as we might, but the need is there.

Senator McCLURE. Well, I think you stated it very adroitly. [Laughter.]

That's what's disturbing me just a little; maybe you've been a little too adroit. [Laughter.]

Because you know you've had a problem with the Congress, not with me in particular but with the Congress in general. As I outlined the problem, we had to help you out last year which we were willing to do, but it was against the objection and over the strenuous opposition of some others who said, "These special exhibitions are costing too much money."

Now, you are justifying them on the basis that you have created space which you formerly told us you needed in order to show your own works.

Mr. BROWN. Well, I think if you analyze out the space that we are using for our own works, the vast majority—I mean, all but 13 percent of it—is going for the use of our own works. So that I do think, in all fairness, that these claims are justified but I'm certainly sympathetic.

Senator MCCLURE. Now, you have suggested that the drawings on paper cannot be subjected to light, and yet the spaces you have created are in areas where you don't plan to exhibit such drawings. It's other works that now are in need of being filled.

Am I not correct?

Mr. BROWN. I'm not sure that I——

Senator MCCLURE. You've moved them out of the East Building and into the West Building——

Mr. BROWN. Right.

Senator MCCLURE [continuing]. Because of the lighting and the space that now needs to be filled is where they were taken from in the East Building. The East Building is not for those drawings, then. It is for other things.

Mr. BROWN. Right.

PERMANENT DISPLAY OTHER THAN GRAPHICS

Senator MCCLURE. What proportion of the gallery's permanent collection of other than drawings on paper is now on display?

Mr. BROWN. All right. Now, let's answer that question because that, I think, is a very different kind of question and I would also like to get into that.

The general practice in art museums is that sometimes as little as 5 percent of their total holdings are on general public view. We are exceptional in that case for a variety of reasons; one being that we have much less time to have accumulated things being a relatively young gallery, and another being that we have had net majoration of space which has been very dramatic.

We are able to show over half of our paintings, sculpture, decorative arts on a regular basis.

Senator MCCLURE. Now, you've used 5 percent which is the norm and you say the gallery's relatively new. That would reflect the fact that you've been in the business of acquiring works of art for a shorter period of time, therefore you have less that is not on display.

But that doesn't mean it isn't worthy of display and that the 95 percent that other galleries may have is not because it's not worthy of display, it's because they don't have the space to display. Is that not correct?

THE QUALITATIVE ASPECT OF THE COLLECTION

Mr. Brown. It is up to a point, and I think that that's the aspect of this, the qualitative aspect rather than the quantitative aspect, which is crucial in this discusssion. We are luckier than most of these museums which got started earlier and collected a whole lot of stuff that they really aren't too interested in showing.

We have had restrictions on what we would accept that have kept us from getting involved to the point that many others have. At the same time, I think it's only fair to say that we have accepted whole collections en bloc of which it really only makes sense to show a small portion.

I'll give you a couple of examples. We have, now, the largest collection in the world of American naive painting, from the collection of Colonel and Mrs. Garbisch. With the new space in the West Building, we now can show much more of that than we could.

But we probably would never want to show more of it than we now show. We could turn the whole East Building into a Garbisch collection building which I think would be a very sad thing to do.

As a result, what we do is we lend these pictures. They are in embassies all over the world. They are in museums around the country. And they are being put to use.

But I would hate to see the day when we just took all of these very expensive galleries in the East Building and one after another would be more American naive paintings. We have a collection of paintings by Catlin of buffaloes and Indians which is extraordinary and should be kept together as a collection, but there are only so many of those you can look at at one time.

So that from a numbers point of view the half that is not on view is a large number, but in terms of quality we are not worried. We have not got a space problem now in terms of showing works of art that we want to show. In point of fact, our problem is exactly the reverse and it's different.

Senator McClure. That's different than you told us when you were trying to get the renovation money for the West Building.

Mr. Brown. That was because those were specific kinds of materials—graphics, on one hand, which is our largest collection, numerically; and small sculpture—which we had been waiting to put in the West Building so they could be in context with the old masters.

The East Building was built, like Dulles Airport, with the idea that the traffic would grow and that we would need more space eventually. We certainly did not have the collection to fill the East Building which really was built to house the 20th and 21st century collections which we would eventually accumulate.

Senator McClure. Well, I think the record would indicate that the justifications and your testimony over the last several years are almost diametrically opposite of what you're telling us today. There may be reasons for that and there may be explanations for that. I don't mean to beat that subject to death.

But I am a little perplexed on one subject. Why were we never advised of the gallery's plans to launch major special exhibitions in the West Building?

Mr. Brown. Well, I think I already said that was a mistake. We don't consider that major. These are small graphics shows. They turn out to be surprisingly expensive these days because more and more graphics lenders are applying the same rules as lenders of more valuable and larger materials in that they require you to pay the expenses of a courier to accompany these.

Therefore, a budget for a graphics show which we used to think of as a $10,000 or $15,000 show is now a $50,000 or an $80,000 show. This is a long way from $1 or $2 million shows that we do in the East Building for other kinds of material.

SPECIAL EXHIBITIONS BUDGET NEEDS

Senator McClure. Well, again, this is a matter upon which the Congress, as a whole, has had a great deal of skepticism; the cost and the value of special exhibitions.

For special exhibitions, $1,992,000 is requested. The presentation of this request is interesting in that the total gallery obligations for special exhibits are estimated to be $5,399,000 of which $1,992,000 is Federal funds, $1,317,000 is non-Federal funds, and $2,090,000 is listed under "Treasure Houses of Britain."

In the narrative, Treasure Houses is described as "* * * an augmented budget item." What do you mean by "augmentation"? Is that something you're going to come back to the Congress and ask for?

Mr. Brown. Mr. Chairman, in our budget submission we did a spread sheet that gives an overview of the whole special exhibition expenditure question—it's page 4–20—in which we did an analysis of what the annual level averages out to be. In the years between 1979 and estimated through 1986 the total expenditure averages about $3 million a year.

This is a level which we feel is very justified and has much to do with what we are here to do, and how we can put the infrastructure, that is represented by this extraordinary building and the private donations that have made this possible, to work—a point, an end to which all that can be put.

TREASURE HOUSES OF BRITAIN

Now, when we came to the decision of whether to accept an opportunity that was presented us by the British Council to embark on a very special special exhibition, called the "Treasure Houses of Britain," we had to make a decision as to whether, looking at this as a once-in-a-decade or a once-in-a-two-decade opportunity, it would be valuable to consider adding this on to our exhibition program.

Opportunities like this do not come around very often. If you take them together, the private houses of Britain are probably collectively the greatest museum in the world, and no one has ever thought before and conceived of trying to skim the greatest objects from all of these separate collections, and to show them together as part of a tradition which really was where this country started. Its Founding Fathers were part of a British concept of a country house environment where people left the land to come and serve in government, and founded democracy on the ancient principle of Greece and Rome.

So it seemed that this show was highly relevant to do in Washington and to do with the full support of the British. The prince and princess of Wales have consented to be the patrons of the show and the British Government is helping financially.

However, to accomplish this we needed help, still need help from every possible source. I've been talking to a major corporation just this week with some very encouraging information that they are very enthusiastic about the show. They are worried about the amounts and they may not give us the full $1.5 million that we requested although that is relatively a small amount compared to the $8 million budget of the recent Vatican show that was in the United States last year.

So our feeling is that this is worth doing. We have discussed it with our trustees and we are going to our friends for a remarkable opportunity to see if there is any chance that this could happen. It's the kind of show idea that is not conducive to contraction.

"War and Peace" does not make a good short story, and some plays require many characters on the stage and some can be done by two people or one person. This, if it's to be done at all, has to be done as a great sweep over five centuries.

We have a list. We have the owners willing to lend. And now we have to get the finances underway.

Senator McClure. Well, I listened carefully to the narrative that justified the show, but you didn't answer the question. It is listed as "augmented budget."

If I distilled from what you said, it is your hope that you will be able to get the entire budget amount from non-Federal sources.

Mr. Brown. We are hoping to get it from any source we can, Mr. Chairman.

Senator McClure. Oh, all right. [Laughter.]

Then that gets back to what I asked first: Do you expect to come back to the Congress to augment this budget? And your answer now is: Yes, you do. Is that correct?

Mr. Brown. Yes; I think we are doing it right now. [Laughter.]

Senator McClure. If you had said yes, we would have saved 5 minutes of narrative—[laughter]—because you must know that I was going to get that answer yes or no before I finished the question. What you're really saying is: Yes, you do intend to come to the Congress; yes, you are coming to the Congress; yes, you are asking for the money; yes, you do believe it's worth it.

Mr. BROWN. Yes to all the above, Mr. Chairman.

Senator MCCLURE. All right. Now we understand each other.

EXHIBITION SCHEDULE CHANGES

Senator MCCLURE. In last year's justification, 15 exhibitions were listed for 1984. The 1985 justification lists 29 exhibitions for the 1984 program.

Since the fiscal year limitation has been removed on the special exhibition account, why didn't you choose to either maintain the original 1984 schedule or even reduce it so that Federal funds could be saved to put toward the Treasure Houses show?

Mr. BROWN. Well, when we make these budgets up, Mr. Chairman, which is usually a couple of years in advance, we are not very clear as to which exhibitions will in fact happen. Also, many of the shows are quite small in scale. In point of fact, many of them are falling by the wayside by their own weight.

However, in terms of number of individual exhibitions, a lot of them are these graphic shows which are listed separately now and which we considered a new program, which we are frank to admit was not put into our budget justifications in previous years before we needed it, but which is something that we feel very much is worth doing.

Senator MCCLURE. The two things that concern me about what I see happening is that, one, last year—recognizing your problem, last year we undertook to give you greater flexibility and authority with respect to special exhibitions, and then I see you double the number of special exhibitions between 1984 and 1985 and add in addition to it the Treasure Houses show.

Now, I will insert for the record a table showing the special exhibition history from fiscal year 1981 through fiscal year 1984, and I will ask you a very direct question.

[The information follows:]

Special Exhibition Schedule
Fiscal Years 1981, 1982, 1983

Special Exhibitions	1981 Budget Estimate	1981 Actual Expenses	1982 Budget Estimate	1982 Actual Expenses	1983 Budget Estimate	1983 Actual Expenses	1984 Original Request	1984 Revised in 1985
Picasso Saltimbanques	$ 150,000	$ 140,922	$ --	$ --	$ --	$ --	$ --	$ --
Dutch History Painting	100,000	26,366	--	--	--	--	--	--
Search for Alexander	75,000	207,894	--	--	--	--	--	--
Rodin	600,000	941,497	--	243,444	--	--	--	--
Degas Waxes, Bronzes	150,000	--	--	--	--	--	--	--
Post Impressionism	--	169,698	--	--	--	--	--	--
Kandinsky Improvisation	--	62,424	--	19,999	--	--	--	--
Morton Neuman	--	33,820	--	--	--	--	--	--
Baldung Prints & Drawings	120,000	58,775	--	--	--	--	--	--
Ganz Collection	150,000	164,826	--	21,688	--	--	--	--
Kongo Art of 2 Worlds	400,000	106,232	--	34,040	--	--	--	--
Oslo Exchange	--	12,831	--	33,527	10,000	24,073	--	13,000
Contemporary American Prints	--	20,019	--	--	--	--	--	--
Palladio Drawings	125,000	99,771	--	--	--	--	--	--
Chinese Archaic Jades	140,000	--	--	--	--	--	--	--
Pre-Columbian Treasures	--	160,693	315,000	223,064	--	--	--	--
Rouen Museum	--	27,002	--	--	--	--	--	--
Oceania	--	25,981	--	--	--	--	--	--
Romanian Gold	--	18,558	350,000	--	600,000	--	--	--
Rosenwald Collection	--	27,277	60,000	69,772	--	--	--	--
Treasure Houses of Britain	--	13,714	--	--	--	67,634	--	140,000
Cubist Prints	--	12,500	190,000	--	--	--	--	--
El Greco	--	--	465,000	304,955	--	18,829	--	--
Mauritshuis	--	--	300,000	153,188	--	23,242	--	--
Bellows	--	--	50,000	52,068	--	46,277	--	--
Dutch Figure Drawings	--	--	100,000	55,472	--	--	--	--
Stieglitz	--	--	80,000	--	100,000	63,392	--	--
Braque Collage	--	--	185,000	--	185,000	50,941	--	--
Claude Lorrain	--	--	290,000	100,376	410,000	182,468	--	--
Thyssen 20th Century	--	--	210,000	154,154	--	--	--	--
Leger Contrast Forms	--	--	200,000	--	--	--	--	--
David Smith	--	--	--	24,601	250,000	350,277	--	--
Manet & Modern Paris	--	--	--	11,139	190,000	214,399	--	--
Peru	--	--	--	18,838	--	--	--	--
Vision 19th Century France	--	--	--	12,622	25,000	--	--	--

Special Exhibition Schedule
Fiscal Years 1981, 1982, 1983

Special Exhibitions	1981 Budget Estimate	1981 Actual Expenses	1982 Budget Estimate	1982 Actual Expenses	1983 Budget Estimate	1983 Actual Expenses	1984 Original Request	1984 Revised in 1985
Majolica	--	--	--	67,108	--	14,874	--	--
Painting in Naples	--	--	--	19,217	--	--	--	--
Neuman Picasso	--	--	--	16,635	--	--	--	--
Chanler	--	--	--	34,149	--	--	--	--
Picasso - The Bull	--	--	--	12,277	--	--	--	--
Sculpture & Decorative Arts	--	--	--	290,034	--	--	--	--
Prints & Drawings	--	--	--	169,697	--	--	--	--
Raphael	--	--	--	--	230,000	274,628	--	--
Night Prints	--	--	--	--	25,000	17,772	--	--
Garbisch	--	--	--	--	40,000	--	--	--
Hungarian	--	--	--	--	270,000	--	--	--
Arp/Dada	--	--	--	--	100,000	49,155	--	17,000
Gainsborough Watercolors	--	--	--	--	25,000	66,734	65,000	81,000
Emilian Drawings	--	--	--	--	110,000	--	--	--
Lucas Van Leyden	--	--	--	--	35,000	43,921	--	--
Caravaggio - Naples	--	--	--	--	95,000	574,809	--	--
Peto	--	--	--	--	45,000	118,571	--	--
Juan Gris	--	--	--	--	--	43,265	180,000	160,000
Aztec	--	--	--	--	--	348,500	--	192,000
Morse/Louvre	--	--	--	--	--	14,761	--	--
Whitney Collection	--	--	--	--	--	130,957	--	9,000
Holy Roman Empire	--	--	--	--	--	14,741	--	--
De Menil	--	--	--	--	--	63,847	--	--
Ailsa Mellon Bruce	--	--	--	--	--	38,588	--	10,000
Face of the Gods	--	--	--	--	--	10,000	--	--
Dulwich Paintings	--	--	--	--	--	15,255	--	--
Major Unknown	290,000	--	330,000	--	325,000	--	500,000	--
Minor Unknown	--	--	165,000	--	135,000	--	130,000	--
All Others	--	159,999	--	144,815	--	181,323	--	100,000
Black and White	--	--	--	--	--	--	75,000	--
Five Surrealists	--	--	--	--	--	--	--	22,000
Modigliani	--	--	--	--	--	--	--	40,000
Leonardo Last Supper	--	--	--	--	--	--	200,000	153,000
Vatican Caravaggio	--	--	--	--	--	--	--	38,000
Folding Image	--	--	--	--	--	--	65,000	394,000

Special Exhibition Schedule
Fiscal Years 1981, 1982, 1983

Special Exhibitions	1981 Budget Estimate	1981 Actual Expenses	1982 Budget Estimate	1982 Actual Expenses	1983 Budget Estimate	1983 Actual Expenses	1984 Original Request	1984 Revised in 1985
Tobey	--	--	--	--	--	--	90,000	62,000
Watteau	--	--	--	--	--	--	380,000	307,000
Orientalism	--	--	--	--	--	--	--	422,000
Rothko	--	--	--	--	--	--	120,000	51,000
Gemini	--	--	--	--	--	--	--	150,000
Degas	--	--	--	--	--	--	--	143,000
Indian Treasures	--	--	--	--	--	--	450,000	--
Jacques de Gheyn	--	--	--	--	--	--	190,000	--
Piazzetta	--	--	--	--	--	--	400,000	88,000
Woodner	--	--	--	--	--	--	100,000	24,000
Correggio (Emilian)	--	--	--	--	--	--	250,000	83,000
Ambrosiana	--	--	--	--	--	--	--	48,000
Schilling Collection	--	--	--	--	--	--	--	40,000
Washington Prints	--	--	--	--	--	--	--	11,000
Thomas Moran Watercolors	--	--	--	--	--	--	--	13,000
Index of American Design	--	--	--	--	--	--	--	9,000
Garbish/Anderson	--	--	--	--	--	--	--	1,000
TOTALS	$2,300,000	$2,490,799	$3,290,000	$2,286,879	$3,205,000	$3,063,233	$3,205,000	$2,821,000

Source of Special Exhibition Funds

	1981 Budget Estimate	1981 Actual Expenses	1982 Budget Estimate	1982 Actual Expenses	1983 Budget Estimate	1983 Actual Expenses	1984 Original Request	1984 Revised in 1985
Federal	$1,672,000	$1,699,208	$1,975,000	$1,818,410	$1,810,000	$1,360,000	$1,810,000	$1,610,000
Non-Federal	628,000	791,591	1,315,000	468,469	1,395,000	1,703,233	1,395,000	1,211,000
TOTALS	$2,300,000	$2,490,799	$3,290,000	$2,286,879	$3,205,000	$3,063,233	$3,205,000	$2,821,000

CORRELATION BETWEEN BUDGET REQUEST AND ACTUAL EXPENDITURES

Senator McClure. Would you agree that there is little correlation between the budget requests by exhibition and the actual expenditures that have occurred?

Mr. Brown. Absolutely.

Senator McClure. And the budget submission is supposed to give us a guideline of what you intend to spend, and yet, as a matter of fact, what you have spent has very little relation to what you said you were going to spend.

Can you explain why?

Mr. Brown. Yes, Mr. Chairman. We are—to give you an example, we are now working on our exhibition schedule for 1986–87. We need to provide you with budget figures that far in advance, but, in fact, these things change with extraordinary rapidity.

What we feel the only sane way one could go about this is to take a look at this globally with a general level of expenditure and work within that because if you average it out we have been very well on target.

Now, I would be happy to submit for the record a justification show by show for the budget variances because I have made this analysis.

Senator McClure. I am not sure we really want this.

Mr. Brown. And why it didn't come out that way.

But the basic reason, just to generalize, is that this itemization was done 2½ years before the actuality, and when you make a budget you are doing it on the basis of the show idea.

You do not have a list. The curators have not yet been commissioned. You do not know where these objects are coming from. You don't know what the transportation costs will be. You don't know what the conditions of the loan will be.

Senator McClure. I understand that.

Mr. Brown. It is not easy.

Senator McClure. I understand that, but let me sketch the picture as we see it from our side of the table.

In each year the gallery has staged more special exhibitions than identified in the budget for that year, not just different ones but more. In 1981 the estimate showed 10, while money was spent on 20. In 1982 funds were requested for 15, while expenditures were made for 25.

Now, maybe I am beginning to understand why others were so opposed to the exhibition schedule and wanted so carefully to limit it. Last year I was sympathetic and tried to raise some of those limitations to give you more flexibility. Now, I see the 1985 schedule go from 15 to 29, and if you look at—as the table shows—that is not an unfamiliar pattern, and maybe I didn't understand it last year as to why others were trying to hem you in with greater restrictions, seeing, apparently, a tendency on your part to greatly expand the number of exhibitions if you were not so carefully limited.

Mr. Brown. Well, I am sure there is an answer to this, Mr. Chairman. What occurs to me—and we can go back and review these numbers because I think it is misleading—what we have done in the last couple of years is started a new accounting basis in which we allocate expenses of the same show over several years because what we have learned is that it didn't make any sense for our own planning to list the money for a show only in the year for which it actually appeared, the fiscal year, because in point of fact, there is infrastructure money that is being paid several years in advance, and then often when you have to build the set for it, it comes in the year previous.

Senator McClure. I understand that, but a very quick look at the table indicates that that is less than 10 percent of the total, and yet you seem to have a policy of substituting two exhibitions for every one that is canceled.

Mr. Brown. And probably for half the price. I think one has to examine that.

What happened in the last year, for example, is that we were caught with exhibitions dropping out, and we had to fill the galleries with something. So we put some tiny shows in.

I mean, the Art of Dada show had 25 or 30 objects. The DeMenil show came and filled just one room. The so-called Caravaggio show is just one picture.

So I think if we are allowed to analyze this, this has not been the kind of escalation that it may look like.

CORPORATE SPONSORS OF EXHIBITIONS

Senator McClure. For the special exhibitions, the gallery has mounted to date, corporate sponsors were found for 27 percent. The future schedule anticipates corporate sponsors for 42 percent of the exhibitions.

Is that a realistic estimate and expectation?

Mr. Brown. No, Mr. Chairman; I was upset when I heard that members of the staff had passed up here a list of shows to which we hoped to find corporate sponsors, and that could perhaps be interpreted as those that we expected to be. Already three of those have turned us down, and if we could hope that that would be the case—if that were going to be the case, no one would be happier than I.

Senator McClure. You are going to talk to them in the woodshed, in the West Building, I assume? [Laughter.]

The total increase for the nonspecial exhibition portion of the gallery's budget amounts to about 3 percent. The requested increase for special exhibitions, not including any hoped for augmentation for the British exhibit, is 23 percent.

Is there a danger that the continuing emphasis on special exhibitions is having a deleterious effect on other gallery functions?

Mr. Brown. The hope is, Mr. Chairman, that we can reach an operational plateau in which we can fill the spaces that we now have and have an opportunity to have an ongoing annual program that will reach that level.

The increases that we have asked for in the general budget we feel are extremely moderate and modest and appropriate to the level that we handle.

In the temporary exhibition area we have been asked by the Congress to see how much we could derive from the private sector, and we got a start in a very misleading period, in which corporations, excited by the idea of showing their flag in Washington at the foot of Capitol Hill, seemed very willing to put large sums of money into temporary exhibitions here.

Now since then we have had a radical change in the corporate philanthropic climate. The new demands on them for private sector support across the board has made it increasingly difficult for them to choose a single art event as the object of their philanthropy, and they are now under a great pressure in their home localities to spread—they are giving out smaller amounts over a broader number of recipients—local schools, hospitals, social causes, and so forth—and we are now being turned down more and more as we go to the private sector for support of the exhibition program.

We believe, Mr. Chairman, philosophically that the purpose of the National Gallery is to show art at the best possible level, and we have these buildings, we have marvelous opportunities.

Senator McClure. Is that maybe a reflection that your emphasis on special exhibitions is failing to achieve popular support?

Mr. Brown. I don't think——

Senator McClure. Did you do better when you were doing it with general operations and for buildings and for acquisitions rather than special exhibitions?

Mr. Brown. I think you have to look at what the definition of doing better is.

Senator McClure. Well, you said you were doing worse. You are getting turned down more.

Mr. Brown. Oh, doing better in terms of raising money? Raising money from corporations has never been possible except for special exhibitions, we have had a very difficult time ever getting them to give except for a special exhibition. And this I say because we are currently in a $50 million drive for art acquisitions funds for which we do not come to the Congress. This is a whole separate activity that we don't bother you with. Some corporations we are hoping to get interested in this, so far out of the $26 million or so that we have raised I think $200,000 comes from the corporate sector, and we are trying to help augment this, but it is not easy.

So I don't think it really is a question of what is considered popularly important.

Senator McClure. You don't see any corporate acceptance or rejection of any particular area of your activity?

Mr. Brown. I don't. I don't think we could get them interested in just anything. They like a show they can get their name on and promote. But even there we are finding greater and greater difficulty, and yet when you look at the overall percentages of what we spend on temporary exhibitions out of our annual budget, the Federal input per year of $1 or $2 million out of $36 million has got to be what—4 percent. Not a big number.

ADDITIONAL COMMITTEE QUESTIONS

Senator McClure. Well, thank you very much, Mr. Brown. There are a few questions which we will submit in writing for answers for the record.

We appreciate your testimony here this morning.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

Additional Committee Questions

Conservation and Special Exhibitions

Question. For the record, please list all special exhibitions objects which have received conservation treatment during the past 2 years; whether major or minor treatment was provided; and, estimate the number of man-hours devoted to such work.

Answer. With respect to special exhibition objects receiving conservation treatment, the answer is most clearly given in quantities and categories. The work is almost entirely routine and minor, although in total, time-consuming, because practically all loan objects coming to the National Gallery received conservation attention of some sort.

Typical activities involving the Department include: condition examinations and reports for works both incoming and outgoing; minor treatments such as dusting, touching up flake losses, reforming discolored varnish spots; incidental frame repairs; special installation or security designs; temporary rematting or reframing of works on paper; special packing and shipping designs and required courier assignments; and occasional major treatments.

During the last 2 years conservation attention was given to 3,847 works of art on loan. No paintings lent to the gallery received major conservation treatment. By category, their work is listed as follows:

	No. of objects	Man-hours
Examinations and reports	2,180	1,278
Minor treatments	135	942
Frame repairs	520	294
Installation designs	47	40
Rematting/reframing	950	1,500
Major treatments—objects	11	634
Packing and shipping	4	40
Totals	3,847	4,728

Question. Is conservation treatment, including supplies, for special exhibitions budgeted under conservation or under special exhibitions?

Answer. All conservation treatment is budgeted under conservation.

Visitation

Question. This year's justification does not contain the usual chart of annual visitation to the gallery. May we assume that this omission means that visitation was down last year?

Answer. Yes; our annual attendance figure was supplied on pages 1-17 and 8-1 of our congressional submission.

Operation and Maintenance

Question. On page 3-1 of the justification, the gallery projects that operation and maintenance costs will decrease from a requested $15,373,000 for fiscal year 1985 to $11,558,000 in fiscal year 1989. Even considering that a portion of this reduction is related to the completion of the current West Building remodeling, an increased allowance of only $385,000 is projected for ongoing O&M activities. Do you consider this to be a good estimate of future requirements?

Answer. As we stated in our testimony, these estimates are based on very stringent parameters (GNP deflators) prescribed for the gallery by OMB. These parameters do not allow for any payroll increases from 1985 to 1989. As a matter of fact, these estimates call for reductions which increase in each succeeding year in a continuing attempt to eliminate as many employees as possible in grades GS–11 through GS–15. The only increases allowed are for the annual GNP deflator of from 4.5 to 3 percent provided by OMB for all object classes except payroll. Considering these constraints, these estimates may prove to be not too close to the actual requirements of these out years of 1986–89.

PRIVATE SUPPORT OF SPECIAL EXHIBITIONS

Question. What non-Federal sources of funds do you expect to tap for the British Treasure Houses exhibition?

Answer. The National Gallery now has two major corporations very interested in supplying the $1.5 million requested, but each on an exclusive participation basis. In addition, the British Parliament is expected to pass a special British indemnity in lieu of insurance, which will provide an equivalent of some $900,000 in insurance premiums. In addition, other British contributions in-kind include British Council exhibits personnel helping in the complicated logistics of collecting and assembling the objects for shipment, and their dispersal after the show to 130 locations throughout the British Isles and in kind participation of the British National Trust conservation staff. The total budget still requires the estimated $1.5 million Federal match to the private sector contribution to make the exhibition a reality.

DEPARTMENT OF THE INTERIOR

MINERALS MANAGEMENT SERVICE

STATEMENT OF WILLIAM D. BETTENBERG, DIRECTOR

ACCOMPANIED BY:

- **RICHARD B. KRAHL, DEPUTY ASSOCIATE DIRECTOR FOR OFFSHORE OPERATIONS**
- **GARY LORE, CHIEF, OFFSHORE RESOURCE EVALUATION DIVISION**
- **PIET DeWITT, CHIEF, OFFSHORE ENVIRONMENTAL ASSESSMENT DIVISION**
- **CHRIS OYNES, ACTING CHIEF, OFFSHORE LEASING MANAGEMENT DIVISION**
- **ROBERT E. BOLDT, ASSOCIATE DIRECTOR FOR ROYALTY MANAGEMENT**
- **THOMAS M. GERNHOFER, ASSISTANT DIRECTOR FOR ADMINISTRATION**
- **GARY BENNETHUM, ASSISTANT DIRECTOR FOR PROGRAM REVIEW**
- **THEODORE F. SAUNDERS, BUDGET OFFICER**
- **AUSTIN J. BURKE, CHIEF OF BUDGET OPERATIONS DIVISION, OFFICE OF BUDGET**

PREPARED STATEMENT

Senator McClure. We will turn now to the Department of the Interior's Minerals Management Service, whose fiscal year 1985 budget request of $167,381,000 represents a 3-percent increase over the fiscal year 1984 level of $163,561,000.

Also pending before the committee is a fiscal year 1984 supplemental request of $1,064,000.

Representing the Minerals Management Service this morning will be its new Director, William Bettenberg, and I wish to welcome you.

If you will introduce those who are at the table who will be assisting you this morning, we will place your entire statement in the record at this point, and we can then proceed directly to the questions.

[The statement follows:]

STATEMENT OF WILLIAM D. BETTENBERG

I want to thank the Chairman and members of the Subcommittee for the opportunity to appear here today to discuss the Minerals Management Service (MMS) budget proposal for FY 1985. The Minerals Management Service has responsibility for two major programs: Leasing and management of mineral resources on the Outer Continental Shelf (OCS), and the collection and disbursement of royalties and other mineral revenues from Federal, Indian, and OCS lands leases. Our budget is formulated to conduct programs that encourage environmentally sound exploration and development of the Nation's offshore energy resources which in turn can reduce our dependence on foreign sources of supply and enhance our national security. These programs also provide receipts to the Federal Treasury and assure the protection of human, marine, and coastal resources.

The budget request for FY 1985 totals $167.4 million to support operating programs under the Minerals and Royalty Management Appropriation. This request is distributed among three major activities: Outer Continental Shelf lands, $103.2 million; Royalty Management, $39.9 million; and General Administration, $24.3 million. Our request represents a $3.8 million increase over the FY 1984 appropriation of $163.6 million and primarily reflects increased costs for existing space and personnel. Requested program increases in Royalty Management and General Support Services are offset by proposed decreases in the Outer Continental Shelf program.

Highlights of our budget proposal include:

o $103.2 million for leasing management and oversight and supervision of exploration development and production operations for oil, gas, and other minerals on the OCS. Included in this figure is $27.9 million for the Environmental Studies Program. The FY 1985 budget request is a net reduction of $5.0 million from the FY 1984 appropriation. This is largely the result of our need to purchase less geologic and geophysical data to supplement or fill gaps in the existing data base.

o $39.9 million for Royalty Management. This is a $5.0 million increase over the FY 1984 appropriation which will provide for State and Indian tribe cooperative audits, enhancement of MMS's inhouse audit capability, and improvements in Royalty Management ADP systems.

o $24.3 million for General Administration which includes executive direction, administrative operations, and general support activities. The FY 1985 request is a $3.8 million increase over FY 1984 for such overhead costs as GSA rental payments, postage and telecommunications, unemployment compensation payments, and utilities.

The Minerals Management Service FY 1985 budget proposal also includes a permanent appropriation for "Payments to States from Receipts under the Mineral Leasing Act." The FY 1985 estimate for this appropriation is $599.1 million. Onshore mineral leasing receipts are projected to increase by $118.9 million in FY 1985 over the FY 1984 level of $1.3 billion. Total annual receipts and payments to the States will increase, although gross payments to the States will decrease by $115.7 million from the FY 1984 level of $714.8 million. The reason is the change in the timing of payments from a semi-annual to a monthly basis as mandated by the Federal Oil and Gas Royalty Management Act of 1982 (P.L. 97-451). In FY 1984, a large one-time increase of $243.7 million will be reflected in the payments which will cover 17 months of receipts. In FY 1985, payments will be made on a monthly basis and will cover only 12 months of receipts.

In FY 1985, it is proposed that the cost of Federal onshore Royalty Management activities be deducted from receipts before revenues are divided between the States and the Treasury. This will ensure that the beneficiaries of receipts from Federal onshore mineral leasing will equitably share in the cost of collecting and distributing these receipts. This proposal is reflected in the budget estimates prepared for this permanent appropriation.

The budget that we are proposing contains the necessary funding to ensure that sufficient resources are available to: support the 5-year OCS oil and gas leasing program; enforce OCS environmental and safety standards to assure protection of the environment and our natural resources; and improve the accuracy of accounting for royalties and other receipts and permit their timely and efficient disbursement.

I would now like to discuss in more detail the two primary operating programs under the Minerals and Royalty Management appropriation: Outer Continental Shelf Lands and Royalty Management.

Outer Continental Shelf Lands

MMS has initiated several significant changes in our approach to leasing, consistent with Secretary Clark's program initiatives. Most significantly, while retaining the areawide leasing concept and considering entire planning areas for leasing, we will be attempting to resolve as many conflicts as possible at the Area Identification stage, when the sale proposal is identified early in the leasing process, instead of at the Final Notice of Sale stage, which occurs near the end of the 2-year prelease process. This will not only avoid needless controversy during the evaluation and consultation on the sale proposal, but also will allow more constructive use of the prelease process to better resolve issues still outstanding after Area Identification.

Secondly, the Call for Information, which is the initial administrative step in the prelease process that solicits information from industry, States, and other interested parties, has been modified to request more specific information than previously. Companies are now being asked to provide information on more specific areas when potential conflicts exist, and to provide the names of individuals who can be contacted for further information. The comment period has been expanded from 30 to 45 days to provide commenters more time to gather information on potential conflicts. Information received from industry and commenters as a result of the Call will be employed in conjunction with Interior's data on geologic potential and environmental concerns to delete areas where further study is not warranted. As noted, these deletions will take place at the Area Identification stage. In addition, increased emphasis will be placed on complete scoping consultation at the outset of preparing Environmental Impact Statements (EIS's). This is reflected in our decision to reinstitute public scoping meetings. Also, more public hearings will be held, and a full 60-day period will be allowed for review of the draft EIS.

Consultation under Section 19 of the OCS Lands Act for consideration of State comments on the size, timing, or location of a proposed lease sale also takes place. State views are important since they can help provide a reasonable balance between national interests and the well-being of the citizens of the affected States. The existing Section 19 consultation following publication of a proposed Notice of Sale will be continued.

Finally, while the Supreme Court has ruled that no formal Federal consistency determination is needed at the sale stage, we agree with the Court that early consultation on Coastal Zone Management (CZM) issues, looking toward the postlease consistency certification requirement of Section 307(c)(3) of the CZM Act, is a wise course of action. Accordingly, at the very early Call for Information step in the OCS planning process, States will be asked to indicate issues of concern regarding coastal resources. These issues will be fully analyzed in the EIS and throughout the prelease process in an attempt to resolve potential future postlease conflicts before the sales. Resolution of such possible conflicts will be sought during the prelease process and incorporated into the Section 19 consultation process.

As a result of the Secretary's initiatives, the Department is making a concerted effort to exclude from the long prelease planning process areas where industry interest is minimal and conflicts exist with other resources or uses. We are now examining on a case-by-case basis all sales which are in process to determine what changes are appropriate in the current 5-year program. All sales scheduled to be held in both FY 1984 and FY 1985 are in process and thus subject to review. Secretary Clark's announcement on March 9 regarding the Alaskan OCS sales provide examples of how this new process is working.

The Department has proposed the deletion of OCS leasing restrictions contained in Sections 107, 108, 109, and 113 of the General Provisions of the FY 1984 Interior Appropriations Act. As a factual matter, no sales in the areas covered by these provisions will be held in FY 1985, and maintaining the provisions would be legally meaningless. Beyond that point, however, Section 18 of the Outer Continental Shelf Lands Act Amendments of 1978 requires the Secretary of the Interior to prepare a 5-year oil and gas leasing program which provides for, among other things, an equitable sharing of developmental benefits and environmental risks among the various OCS regions. In preparing the program, the Secretary is required to base the timing and allocation of oil and gas activities among the OCS regions on consideration of several environmental, multiple use, and socioeconomic factors, as well as factors relating to the potential for oil and gas resources. Additionally, he must consider suggestions from other Federal agencies and from the Governor of any State which may be affected by the program. The current 5-year program, which was approved by the Secretary of the Interior in July 1982, provides for a proper balancing of factors, including an equitable sharing among regions, and was found to be in full compliance with the OCS Lands Act by the U.S. Circuit Court of Appeals for the District of Columbia in July 1983.

For a specific proposed lease sale, a thorough analysis is required to meet the requirements of the OCS Lands Act, the National Environmental Policy Act, and other statutes. The Governor of any affected State may submit recommendations to the Secretary regarding the size, timing, or location of the lease sale. The Secretary must accept the recommendations of the Governor if they provide for a reasonable balance between the national interest and the well-being of the citizens of the affected State.

Leasing moratoria restrict the careful balancing among the various OCS regions resulting from the analysis performed according to Section 18. They also curtail the extensive planning process mandated by the Act to gather environmental and geologic information, consult with Governors of affected States, and make the important State-National balancing decisions. We believe that it is important that this carefully prescribed process be allowed to operate.

I would like to briefly summarize some points on the individual leasing restrictions:

o Section 107 restricts the leasing of certain areas of the Central and Northern California OCS planning area. In the case of the Central and Northern California sale, initially scheduled for September 1985, the Department will attempt to resolve as many Congressional concerns as possible at the Area Identification stage which will probably occur this summer. This sale is now behind its original schedule and would be held in January 1986 at the earliest. The Call for Information will explicitly recognize Congressional concerns and will solicit the information necessary to balance the advantages or disadvantages of leasing in specific portions of the planning area.

o Section 108 restricts both prelease activities and actual leasing of certain areas in the North Atlantic. During FY 1984, prelease activities will begin for Sale 96 which is scheduled for FY 1986, the last North Atlantic sale in the 5-year program. Since areas excluded from early planning cannot be considered for leasing later in the process, Sale 96 will not include any of the areas outlined in Section 108.

o Section 109 restricts the leasing of certain areas in the Eastern Gulf of Mexico planning area. The next sale in this planning area is scheduled for November 1985; therefore, the restrictions in this section would not be applicable in FY 1985. Furthermore, the areas of primary environmental concern -- the seagrass beds, Florida Middleground, and the 20-meter Isobath below 26° North latitude -- have been eliminated from planning for the sale.

- Section 113 restricts the leasing of certain areas in the Southern California planning area. We anticipate that Sale 80 will be held this summer, and it will be fully consistent with the moratoria language. The next scheduled sale in this planning area is not until January 1986; therefore the restrictions in this section would have no applicability in FY 1985. Moreover, much of the area south of Los Angeles currently covered by the moratorium will not be leased because of military conflicts. We would anticipate that a substantial amount of acreage in this area will be eliminated for planning for the 1986 sale due to these military conflicts.

Royalty Management

I would now like to turn to the Royalty Management Program (RMP). As the Committee is aware, the Department of the Interior has been collecting rents, royalties, and bonuses on Federal and Indian mineral leases since 1921. It is only within the last few years that the Department has given proper attention to the process which is necessary to assure that mineral leasing revenues are properly collected, accounted for, and distributed to the recipients established by law. MMS has been responsible for this function since the Service was created in 1982.

In the 2 years since the Commission on Fiscal Accountability of the Nation's Energy Resources submitted its final report, much has been accomplished to overhaul the Royalty Management process. I would like to highlight for you the major achievements in this area:

- Of the 60 recommendations made by the Commission on Fiscal Accountability of the Nation's Energy Resources, 45 have been fully addressed and 13 are progressing according to established schedules. Two others would require legislation.

- The development and installation of three computerized accounting systems which account for sales, royalties, rents, bonuses, and the value of production on individual mineral leases on Federal and Indian lands are underway.

- Provisions of the Federal Oil and Gas Royalty Management Act of 1982 are being implemented. The provisions of the Act changing the disbursement cycle of revenues paid to the States from a semi-annual to a monthly basis became effective on October 1, 1982. Regulations fully implementing the Act, including the provisions for increased cooperative efforts with States and Tribes, have been published in the Federal Register for public comment and will be published as a final rule after consideration of the public comments.

- An aggressive audit program to review the royalty paying activities of some 1,700 companies and individuals who pay royalty to the Federal Government and to Indian tribes has been undertaken. Since the audit program started in September 1981, over $90 million of underpaid or unpaid royalties have been collected and distributed to the proper recipients. Our 1985 budget calls for an increase in audit activity with additional resources to be devoted to the residency audit program, where teams of MMS auditors are physically located at the accounting centers of the largest royalty payors. Of the $90 million collected, over $27 million has been the result of a joint audit effort with eight States. This joint audit process has served as an excellent prototype the cooperative efforts authorized by the Federal Oil and Gas for Royalty Management Act of 1982.

- A complete reworking of the regulatory basis under which the value of products produced on Federal energy and mineral leases is determined and the royalties paid is underway. A specific recommendation of the Linowes Commission, these revised guidelines are being issued on a product-by-product basis and are expected to be in place by the beginning of FY 1985.

The growth in the personnel levels and budget of RMP over the last 3 fiscal years reflects the Department's increased emphasis on Royalty Management activities. During the coming fiscal years, new computer capacity will be acquired to allow for the full operation of the new royalty accounting systems, to accommodate growth in mineral leasing activity, and provide for a greater sharing of royalty information with States and Indian tribes who have a continuing need for this data.

Increased funding is proposed for the royalty audit process with emphasis being placed on the resolution of exceptions generated by our new accounting systems. The audit program will include cooperative efforts with States and Indian tribes under the provisions of the Federal Oil and Gas Royalty Management Act of 1982. The MMS is strongly committed to the implementation of the cooperative audit program and has included funds in its request for this purpose.

New regulations and guidelines will remove the longstanding problem of inconsistent and spotty guidance to royalty payors and lease operators. Clear regulations and guidelines should reduce incidents of noncompliance and royalty underpayments.

I am now prepared to respond to any questions from you or other Subcommittee members.

INTRODUCTION OF ASSOCIATES

Mr. BETTENBERG. Yes, Mr. Chairman. It is a pleasure to be here.

I note for the record that I am probably the first permanent Director of the Minerals Management Service that we have managed to martial before this subcommittee in 2½ years of experience with the Service. I have personally appeared before this subcommittee probably 50 or 60 times in previous capacities as Budget Director and Deputy Budget Director but never with the Minerals Management Service, only with the precursor agencies.

I have with me today Mr. Richard Krahl, who is our Deputy Associate Director for Offshore Operations and in charge of the activities post-lease in the OCS program; Mr. Gary Lore, who is sitting in the back, who is our Resource Evaluation Division Chief; Dr. Piet DeWitt, who is in charge of our Environmental Assessment Division; Mr. Chris Oynes, who is the Acting Chief of the Offshore Leasing Management Division; Bob Boldt, on my left, who is the Associate Director for Royalty Management; Tom Gernhofer, Assistant Director for Administration; Gary Bennethum, Assistant Director for Program Review; Ted Saunders, the Budget Officer; and Austin Burke, who is from the departmental Budget Office, over there in the corner at the table.

GENERAL REMARKS

If I could be permitted a couple of words, I would like to say that I think we have a good budget. My definition of a good budget is the type of budget that we would send to Congress, which they would look at, agree it is a good budget, and endorse it.

That is what you did last year, and I would hope that you would do again this year.

Senator McCLURE. I am surprised by that statement. I assumed you would come up here with a bad budget that you would hope we would change.

Mr. BETTENBERG. No; we are singular in the agencies, I think, in that we think we have a good one.

OCS LEASING PROGRAM RESTRICTIONS

Apart from the budget numbers, clearly my primary concern is with the moratoria language that has crept into the process over the past several years.

I would like to urge you, in as strong as possible terms that I can, not to proceed——

Senator MCCLURE. You are preaching to the choir.

Mr. BETTENBERG [continuing]. With the moratoria. I would like to give you a couple of reasons to help bolster your support.

Senator MCCLURE. Yes.

Mr. BETTENBERG. The first is that the country is importing about one-third of its oil, and that is about the same amount that we were importing about a decade ago. Imports have recently begun to increase again after coming down from the late 1970's.

The OCS program is producing about 10 percent of domestic oil. Prudhoe Bay and the Kuparuk field are yielding about 17 percent of domestic production, and in both cases we can see declines setting in. In the case of Prudhoe Bay and Kuparuk, about 98 percent of the fields are beginning to decline. Our best hope of finding oil to replace those reserves is offshore, and at this point in the program we have not found new fields that will replace the reserves that we are currently tapping.

Senator MCCLURE. I have a number of questions to submit with respect to the OCS question.

One that I would like to ask at this time is that there is no question that the moratorium actions taken by the Congress in fiscal year 1984 had an impact on the revenues expected to be received by the Treasury.

Can you give the committee the orginally expected revenues for each of the four affected sales as compared to the amounts now expected to be received this fiscal year?

Mr. BETTENBERG. I don't have those precise figures, but I could give you some illustrations and then include them in the record.

Senator MCCLURE. Well, perhaps rather than take the time if you don't have the precise figures, please provide those for the record.

Mr. BETTENBERG. Surely. It amounts to literally billions of dollars.

Senator MCCLURE. I would like the figures as precisely as possible so we can use them in the discussions that we will have later in the Congress.

[The information follows:]

EFFECT ON BONUS ESTIMATES OF MORATORIUM CONTAINED IN FISCAL YEAR 1984 APPROPRIATION BILL

Offering No.	Area	Date	Estimate prior to moratorium	Estimates with moratorium acreage excluded
73	Central California	November 1983	[1]$800,000,000	[2]$800,000,000
79	Eastern Gulf of Mexico	January 1984	200,000,000	[3]190,000,000
80	Southern California	On Hold	1,200,000,000	[4]860,000,000
82	North Atlantic	On hold	120,000,000	78,000,000
	Total		2,320,000,000	1,928,000,000

[1] Original estimates for central and northern California sale included impact of the final fiscal year 1984 moratorium as it was identical to that proposed in the fiscal year 1984 President's budget.

[2] Actual bonus receipts were $16 million, of which $13 million was deposited into escrow accounts due to disputed State/Federal boundaries.

[3] Actual bonus receipts were $313 million.

[4] Current estimate (April update to the President's budget) is $75 million due to tract deletions being considered to meet concerns of the Department of Defense.

NONENERGY MINERALS LEASING PROGRAM

Senator McClure. During fiscal year 1984, MMS has proceeded with the development of a nonenergy minerals leasing program, and your justification indicates you plan to continue this effort through fiscal year 1985 and beyond. For 1985 you report that three nonenergy mineral offerings may be conducted.

Where are these three planned offerings? What minerals would be leased, and when would you expect the leases to take place?

Mr. Bettenberg. The budget was formulated during a period when we were reviewing those programs, and at this point I would have to describe those potential lease offerings as speculative.

We are, in fact, working on them. Specifically, we have a cooperative effort going with the State of Hawaii with regard to possible mineral reserves on the seabed off Hawaii. Those are mineral crusts that are on the bottom of the seabed.

We have a cooperative effort going with the State of Oregon, which might possibly be joined by the State of California with regard to Gorda Ridge. Those are polymetallic sulfides, rich in a number of minerals.

And then there is some preliminary work going on with regard to east coast phosphorites. Those would be off the States of Georgia and South Carolina, and I have recently received a letter from the Governor of Georgia indicating a strong interest in looking at those cooperatively.

Senator McClure. I assume that your tentative schedule of possible nonenergy mineral offerings for 1985 and beyond is based on current assessments of industry interest, past solicitations, and on recent unsolicited requests for rights to explore for and produce such minerals.

Mr. Bettenberg. My understanding is that there are at least consortia interested in the Gorda Ridge polymetallics.

Senator McClure. But am I right that that is the criteria that you used?

Mr. BETTENBERG. Those are some of the criteria, but, frankly, we are assessing the level of industry interest and the level of their financial interest.

Senator MCCLURE. I understand that, but again I assume that it comes from industry interest, past solicitations, and unsolicited requests?

Mr. BETTENBERG. Yes; that is correct.

Senator MCCLURE. Can you describe for the committee your assessment of industry interest, or are you in the middle of that business right now to the point where you can't really describe it?

Mr. BETTENBERG. We are frankly in the middle of that business right now.

Senator MCCLURE. How many unsolicited requests have you received, and what minerals are involved in those requests?

Mr. BETTENBERG. I guess I don't know the number. I do know that we have been contacted by three different consortia with regard to the polymetallic sulfides off Gorda Ridge. I would have to supply the rest for the record.

Senator MCCLURE. All right. If you would provide it for the record, please.

[The information follows:]

INDUSTRY INTEREST IN NONENERGY MINERAL LEASING

MMS has identified five commodity groups of minerals other than oil, gas, and sulphur for which industry interest has been indicated; namely, construction materials including sand and gravel, placer deposits, phosphorites, metalliferous oxides, and metalliferous sulfides.

A Federal Register notice of March 30, 1984, requested information on the necessity of holding sand and gravel lease sales offshore Alaska in support of OCS oil and gas development. Interest had been varied and dependent largely on local considerations based on oil company activity.

Interest in placer deposits offshore Alaska is indicated by a backlog of 450 prospecting permit applications in State waters for which processing is planned this summer. A Federal Register notice is in preparation to request information on special permitting on the OCS for minerals other than oil, gas, and sulphur.

Industry interest in phosphorites on the Atlantic OCS was an agenda item at the March 28 meeting of the Atlantic regional technical working group in Atlantic City. Additionally, MMS has received direct written expressions of interest from one company each on the west and east coast.

OFFSHORE LEASING OF STRATEGIC AND CRITICAL MINERALS

Senator MCCLURE. Your efforts to date in this regard have dealt predominantly with leasing of sand and gravel resources.

What specific work have you done with regard to the offshore leasing of strategic and critical mineral materials other than the assessment you have already given us?

Mr. BETTENBERG. None really beyond the assessment I have given you. In the case of sand and gravel, we are reassessing industry interest there currently.

Senator MCCLURE. Could you provide for the record a summary of your plans in this area for fiscal year 1985, and a brief description of where you see the program going beyond fiscal year 1985?

Mr. BETTENBERG. Surely.

Senator McCLURE. Thank you.

[The information follows:]

SUMMARY OF PLANS FOR STRATEGIC AND CRITICAL MINERAL LEASING

Work that has been accomplished or is ongoing includes:

Gorda Ridge area.—An examination of the possibility of leasing polymetallic sulfides in the Gorda Ridge area off northern California and Oregon has been initiated in cooperation with the State of Oregon. A draft environmental impact statement (EIS) has been prepared and made available for comment. Secretary William Clark and Gov. Victor Atiyeh have formed a joint Federal/State working group to consider the economic, engineering, and environmental aspects of the proposal. The working group will provide recommendations on how to proceed in a manner consistent with the concerns of the public and national policies. In announcing the working group, the Secretary and the Governor indicated that the size of any proposed lease area would be reduced from 40 million acres to 4 million acres, nearshore parcels would be deleted from any sale area, and any decisions on the sale would be delayed until the working group could fully evaluate comments on the draft EIS.

Hawaiian Islands.—A draft EIS will be initiated later this year for the exploration and development of cobalt-bearing manganese crusts offshore of the Hawaiian Islands. A joint Federal/State task force has been established to consider the economic potential and environmental impacts of ocean mining for the recovery of these crusts in the 200-mile EEZ.

Our plans for fiscal year 1985 and beyond include lease offerings for strategic and critical minerals in four resource commodity groups to include heavy mineral placers, phosphorites, metalliferous oxides, and metalliferous sulfides. During fiscal year 1985, we plan to examine and possibly initiate preparation of EIS's or conduct other preparatory work for possible leasing of placer deposits in the Alaska OCS region. In each case, joint working groups would be formed between the involved States and the Department of the Interior.

Other potential future studies are for high cobalt/manganese oxides and metalliferous sulfides in the Pacific island areas, phosphorites in the Pacific or Atlantic OCS regions, and placer deposits in the Alaska region. Additional examinations will be planned on a case-by-case basis.

STRATEGIC AND CRITICAL MINERALS TIMEFRAME

Senator McCLURE. If more funds were added to your 1985 budget, could you significantly alter the timeframe for the offshore development of strategic and critical minerals?

Mr. BETTENBERG. Mr. Chairman, I doubt that we could. I think that what will dictate the pace of proceeding is the level of industry interest and their level of financial commitment to——

Senator McCLURE. Do you have adequate resources in your appropriation to respond?

Mr. BETTENBERG. My anticipation is that we do.

Senator McCLURE. What problems remain to be overcome prior to the implementation of a comprehensive offshore strategic and critical mineral development program?

Mr. BETTENBERG. There is a wide variety of problems to overcome. First is an assessment of possible reserves and economics. Once we understand that there are adequate reserves to justify companies' active interests in such leasing, then we have to examine the environmental consequences of leasing, exploration, and development.

One of our problems right now is that the economics are so speculative that we need to understand and work with understanding the possibilities of industry sharing a substantial part of the load here.

I am not terribly interested in leasing on a loss leader type of basis where we plunge into extensive reserves assessment, as in the Gorda Ridge, extensive environmental analysis, and in the end discover that no one is interested.

I can visualize a situation where we could spend $40 or $50 million and learn a great deal but have no practical application. These are some of the things that are involved in our current review of the program.

EXCLUSIVE ECONOMIC ZONE

Senator McClure. MMS, USGS, and NOAA are all involved in work on the Outer Continental Shelf in the exclusive economic zone.

Could you describe your various roles and responsibilities?

Mr. Bettenberg. Surely. This is something that has received some attention from the trade press, as I understand it. The officials from those other agencies might well have their own characterizations, but I would assess it as follows:

Geological Survey is clearly one of the preeminent Earth science organizations in the world. USGS does geologic work, usually of a broad regional variety, and work or research on techniques to be able to explore and better characterize what our mineral resources are.

In delineating a geologic basin offshore, for instance, and they have done some of the primary work on that, they will use their information to give a broad picture of the geology of that area, and in some cases that has led to the discovery of new basins that more detailed work needs to be done in.

The Survey has a $19 million budget for offshore geologic surveys, and it is an important budget—one, which in my previous capacity, I supported and helped enhance.

NOAA generally has that same sort of a broad mission so far as those things that relate to MMS. They do broad-based oceanic research in currents and charts that are important to our program. They also, in their marine biology area, do biological opinions on endangered species. So we have a continuing relationship with them.

The Minerals Management Service has two programs that relate to the programs that the other two agencies have, and I would characterize those basically as problem specific, decision-oriented, and oriented toward the timing of decisions.

Geological Survey, for instance, last year was going to be making a brief swing by the Gorda Ridge. Minerals Management Service joined them financially to get them to concentrate a little more attention there because we needed to make some decisions in the short term; whereas, the GS scientists aren't concerned that much about the timing of their information.

The same thing is true of NOAA. While they study whales generally, we might need to have some very specific information on white whales in the Bering Sea, and so we will go in and fund a study to get that specific information so that we can have the proper stipulations to guard against any endangerment of those whales.

Those, I think, are the basic characteristics.

INTERAGENCY COORDINATION

Senator McClure. I will submit some other questions in this same general area for your response in writing for the record.

I am concerned, as I am sure you are, about the jurisdictional overlap in the agencies and whether or not you are having trouble with those areas of overlap and whether and how you are going to solve those problems where they do exist.

Is there any question about MMS's authority to lease in the exclusive economic zone?

Mr. Bettenberg. None whatever in my mind. I have discussed that with our lawyers. There has been what I would describe as some low level concern amongst the agencies that might be more related to turf than anything else, and the basic confusion arises from two factors.

The first, I think, is that the OCS Lands Act has in it the words "Outer Continental Shelf," but if you look at the act it describes the Outer Continental Shelf as something very different than an oceanographer would. It is basically the seabed over which the United States exercises jurisdiction, and so there is no problem from that standpoint.

At the same time, NOAA's authority for deep seabed minerals licensing talks about minerals, but when you look at the act, it talks about the deep seabed being beyond the U.S. jurisdiction, and it describes minerals as manganese nodules. We have no responsibility for manganese nodules and are not seeking any.

Senator McClure. Is the level of cooperation good between MMS, USGS, and NOAA?

Mr. Bettenberg. Yes; the level of cooperation among these three agencies is good. In order to encourage a close working relationship among the States and interested agencies on the issue of leasing offshore mineral resources, we have established joint Federal/State working groups with both Oregon and Hawaii which include USGS and NOAA personnel as members or special advisors. Similarly, MMS personnel serve on task forces, working groups, and international program committees for which USGS and NOAA are the lead agencies.

Senator McClure. Are you aware of any jurisdictional battles or strains among the agencies?

Mr. Bettenberg. Yes; but there has been a tendency to exaggerate the extent of the problems, and battles or strains are more perceived than real.

Senator McClure. I have the impression that all three agencies are competing with one another on polymetallic sulfides on the Gorda Ridge off Oregon and California. Is there overlap or duplication there, and what, in your opinion, should be the role of each agency?

Mr. BETTENBERG. There is a possible jurisdictional issue between NOAA and MMS on the mining of polymetallic sulfides and some overlap in sea floor mapping responsibilities between USGS and NOAA. NOAA has authority under the Deep Seabed Hard Mineral Resources Act to grant exploration licenses for manganese nodules in the deep seabed, but this is defined in the act as the area lying beyond the OCS and is, therefore, outside of MMS jurisdiction.

The law establishes DOI and thus MMS as the appropriate leasing authority for submerged lands beyond State waters subject to jurisdiction of the United States. The USGS and NOAA are the appropriate vehicles for research in these areas. MMS coordinates research with both USGS and NOAA.

Since polymetallic sulfides and their development and leasing on the submerged lands beyond State waters are subject to the OCS Lands Act and not the Deep Seabed Hard Mineral Resource Act, MMS is the responsible Federal agency.

There is also the question of which agency—USGS or NOAA—has responsibility for providing bathymetric maps of the Gorda Ridge area. It is our understanding that maps of the area are being prepared by both agencies. NOAA maps or charts are official navigation charts containing bathymetric and some bottom descriptive data. USGS maps are "not to be used for navigation" but may have much additional geological data superimposed on the bathymetry. However, each is providing maps which can be integrated for purposes of resource exploration.

In summary, we believe the USGS should have primary responsibility to determine the distribution, genesis, and significance of marine mineral deposits. MMS is the agency designated to conduct marine mineral and technology assessments and lease mineral resources under authority of the OCS Lands Act. NOAA should determine physical, chemical, and biological effects from active venting of hydrothermal fluids in the marine environment.

Senator MCCLURE. Is there any overlap or duplication between your authority and NOAA's authority for deep seabed mining?

Mr. BETTENBERG. In our opinion, there is no overlap of authority because the Deep Seabed Hard Mineral Resources Act refers only to the deep seabed beyond national jurisdiction and only to manganese nodules. MMS has authority only for leasing in waters subject to national jurisdiction.

Senator MCCLURE. I ask some of these questions because I want to be of assistance if I can and in as constructive a way as I can. But we do need some information.

As to the areas where you see conflict, where you see strain, or where you see unresolved jurisdictional overlap, I also need a statement from you. We will get from the other agencies how they think those areas of overlap are being resolved so that we can point up the questions that we may have to resolve with respect to administrative oversight.

Mr. BETTENBERG. We would be happy to respond.

RESOURCE EVALUATION PROGRAM

Senator McClure. In the course of preparing for a lease offering, MMS develops certain economic value estimates. These estimates are developed for revenue projections for the budget as well as for other purposes associated with statutory or policy requirements. In years past, the revenue projections provided to the Congress have, as I know you are aware, borne almost no resemblance to the actual revenues collected. Are we now doing better in making these projections or have we made no progress in this regard? What specifically have you done and what do you plan to do in the future to make these estimates more reliable?

Mr. Bettenberg. There are numerous variables to consider when developing these revenue projections, all of which increase the likelihood of significant variation between estimates and actual revenues received by the Government. The initial projections of offshore revenues are completed in January of each year for the President's budget proposed to the Congress for the upcoming fiscal year. Developing those estimates is a 3-month process which begins at least 12 months before the first sale, and up to 24 months before the last sale in the relevant fiscal year. Revenue projections made with lead times of this magnitude are subject to several revisions due to changes in the magnitude of the variables and assumptions. Many uncertainties exist among the assumptions which must be made about the critical variables that determine the level of revenues, such as resource estimates, proportion of the resources in the area being offered, existing and future oil and gas prices, development costs, industry's cash availability, and the final size and scheduling of the lease sales. The range of values from which initial single point revenue estimates are developed is subject to significant change over time as more and better information on the determining factors becomes available.

Bonuses are extremely sensitive to changes in any one or a combination of the above critical variables. In some cases, Alaska in particular, the per barrel cost of developing offshore oil fields is very high, so a small change in short-term oil price expectations, for example, can have a large effect on bonus estimates. Even the results of exploration in adjacent offshore locations can provide information that will significantly influence bonus bid levels.

To facilitate the budget process, the Department has historically attempted to provide a single best estimate of revenues for the upcoming fiscal year, even given the highly variable nature of the critical variables. Although significant differences between estimated and actual revenues have been experienced in the past, we expect our estimates to improve because we are now reoffering numerous tracts throughout an entire planning area, rather than having sales of different basins within an area. Additionally, we are improving our methodology for projecting bonuses by structuring the estimates so that field sizes will be explicitly incorporated into the calculations. We expect that these modifications should further refine our future bonus estimates so that revenue projections will improve.

Senator McClure. I have a number of other questions which I will submit for the record.

ROYALTY MANAGEMENT AUDITS

One area of questioning which is particularly troublesome right now is the role of your auditors in the field and how they are implementing or doing their job and how well that is being accepted in the field.

I will give you the opportunity to comment more specifically with respect to some specific questions, but I did want you to know that that matter has surfaced here, and the questions are more than just pro forma. That is why I mention them now.

Mr. Bettenberg. I appreciate that.

Senator McClure. As part of the MMS compliance program, you have implemented an Inspector General recommendation of establishing full-time residence auditors at 11 of the largest payor company headquarters by the end of this fiscal year. In addition, you propose to establish six more residence auditors by the end of fiscal year 1985. While this program no doubt makes the auditing function easier for MMS, is it truly cost effective? Can you prove that it, in fact, results in savings to the Government?

Mr. Bettenberg. The MMS believes that the residency program will be cost effective. Our experience indicates that it is most efficient to have audits performed by a team that becomes familiar with a company's accounting system, business practices, and leases as opposed to a rotating audit team which would have to learn the procedures of several different companies. In one of the companies where a residency audit team has been established, over $15 million in audit findings were identified in that company alone. The MMS audit program is too new to estimate the savings to the Government which will be realized. However, significiantly less travel and per diem expenses will be required for residence auditors than would be required if those auditors operated from a regional office. Further, it has been the experience of other Federal agencies that a residency audit approach is cost effective when the work to be done is sufficient to require year-round audit effort.

Senator McClure. Do the payors accept the MMS auditors willingly or are they in effect forced upon the companies involved?

Mr. Bettenberg. The lease terms dictate that audits will be performed. The companies have accepted having Government auditors as part of doing business. In the oil and gas industry, Federal and State governments and private audit firms are constantly performing audits.

The residency approach is not a new concept, it has been used successfully by the Internal Revenue Service, Department of Energy, and Defense Contract Audit Agency. In most situations the companies prefer this approach because questions or clarification of the Department's procedures can be quickly answered by the onsite auditors. Also, companies usually prefer having a single point of contact.

Senator McClure. Are the companies asked to provide onsite desk and equipment facilities for the MMS personnel, or does MMS compensate the companies for their services?

Mr. BETTENBERG. Yes; the companies are asked to provide onsite equipment and facilities for these auditors. It is standard procedure in an audit environment for companies to provide working space and access to records for any visiting audit group, regardless of whether they are Government or private auditors. The MMS does not compensate the companies for space and equipment.

Senator MCCLURE. According to the information provided the committee, you have provided some 2.6 auditors per company to the 11 companies included in the program by the end of 1984, while you have proposed some 3.5 auditors per company for those additional companies planned for 1985.

First, is it necessary to have 2 to 4 auditors per company working full-time; and second, why do you propose more auditors for the 6 additional companies in 1985 than you have for the previous 11?

Mr. BETTENBERG. Yes; the MMS believes that all residency audits require at least two auditors onsite. This is necessary because the 15 major companies account for over 80 percent of total royalties paid and hold an interest in over 45 percent of the total producing leases. Because of this concentrated volume, it is necessary to have auditors onsite. The number of auditors required varies with the level of workload and MMS experience in prior audits. To date, this workload has been related primarily to the level of royalties paid and has shown a need for at least two or three auditors for all companies selected for residencies. However, the largest payors, where workload is significantly greater, will require four auditors on a continuing basis.

The first residency audits established had as their primary goal the resolution of audit findings reported in the OIG lookback audits performed at these companies. This experience has been the basis for estimating residency workload to require 2 to 3 staff years in each company.

Additionally, the team approach permits the assignment of specialists sometimes needed to deal with extraordinary audit problems and for the periodic rotation of individual audit team members from site to site.

ADDITIONAL COMMITTEE QUESTIONS

Senator MCCLURE. Thank you very much for your testimony. I very much appreciate it, and I am sorry that time has limited us to just not much more than a cursory look at your operation; more discussion is justified by the interest Congress has in your operations.

There will be additional questions for the record. They would have been asked this morning except for the limitation on time.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

Outer Continental Shelf Leasing

Question: As you have mentioned in your statement placed in the record, Congress last fall imposed leasing moratoriums for fiscal year 1984 on portions of four proposed OCS sales: Northern and Central California, Southern California, North Atlantic, and East Gulf of Mexico. While I don't intend to focus on all the reasons these restrictions were imposed, I think it is fair to say many elected officials felt that the Department of the Interior - and specifically MMS - was not doing enough to take the affected States' concerns into account before the lease-sale was made. Since taking office last fall, Secretary Clark has spent a great deal of time working to resolve this situation. Mr. Bettenberg, if you would care to comment on my remark, please do so and then summarize for the Committee what specific actions the Secretary has taken to address this situation. What other actions has the Department taken to address perceived problems and what actions does it expect to take in the near future?

Answer: We have initiated several significant changes in our approach to leasing in order to consider State and public concerns early in the leasing process. Most significantly, while retaining the areawide leasing concept and considering entire planning areas for leasing, we will be attempting to resolve as many conflicts as possible at the Area Identification stage, when we select tracts for further analysis in an Environmental Impact Statement (EIS), instead of at the proposed Notice of Sale stage, which is close to the end of the 2-year prelease process. This will not only avoid needless controversy during evaluation and consultation concerning the sale proposal, but also will allow more constructive use of the prelease process to better resolve issues still outstanding after Area Identification.

The Call for Information, which is the initial administrative step in the prelease process and solicits information from industry, States, and other interested parties, has been modified to request more specific information than previous Calls. Companies are now being requested to provide information on specific rather than broad areas and to provide the names of persons who can be contacted for further information on areas of interest to them. The comment period has been expanded from 30 to 45 days in order to provide commenters more time to provide information on potential conflicts with other values. Information received from industry and commenters on the Call, in conjunction with Interior's data on geologic potential, will be employed in deleting areas where further study is not warranted. As noted, these deletions will be reflected in Area Identification.

In addition, increased importance will be placed on early and complete scoping consultation at the outset of preparing EIS's, including reinstitution of public scoping meetings. More public hearings will be held and a full 60-day review period will be allowed for review of the draft EIS.

Additionally, I have met with representatives of the various

States on many occasions--down to the county level in the case of California--and get good reports from those representatives that they view the cooperative spirit as much improved.

Consultation with the States also takes place as required by section 19 of the OCS Lands Act for consideration of State comments on the size, timing, or location of a proposed lease sale and for acceptance of State views if they provide for a reasonable balance of national interests and the well-being of the citizens of the affected States. The existing section 19 consultation following publication of a proposed Notice of Sale will be continued.

Finally, while the Supreme Court has ruled that no formal Federal consistency determination is needed at the sale stage, we agree with the Court that early consultation on coastal zone management (CZM) issues, looking toward the postlease consistency certification requirement of section 307(c)(3) of the CZM Act, is a wise course of action. Accordingly, at the very early Call for Information step in the OCS planning process, States will be asked to indicate issues of concern regarding coastal resources. These issues will be fully analyzed in the EIS and throughout the prelease process in an attempt to resolve potential further postlease conflicts before the sale. This offer has now been made verbally to officials from mid-Atlantic and north-Atlantic States and from California.

Question: Under the 5-year Offshore Lease schedule in effect at the time your budget justification went to press, you planned to hold seven lease-sales between January 1 and September 30, 1984, and another nine during Fiscal Year 1985. Since going to press, the Eastern Gulf of Mexico sale has gone forward and I understand that the Southern California and North Atlantic sales have been placed "on hold." As a result of the Secretary's actions and adoption of new OCS leasing policies, what other changes can we expect to see in the 5-year schedule for the remainder of this fiscal year and on into FY 1985? Will these changes impact revenue projections for FY 1984 and 1985? If so, what were your original estimates for these fiscal years and what are your revised estimates?

Answer: The Secretary has approved revisions to the 5-year offshore leasing schedule for the remainder of Fiscal Year 1984 and for Fiscal Year 1985 and beyond. During Fiscal Year 1984, four lease sales are currently scheduled to be held through July. In April 1984, Sale No. 81 is scheduled for the Central Gulf of Mexico. Sale No. 83 is also scheduled in April for offshore Alaska in the Navarin Basin. In July 1984, Sale No. 84, in the Western Gulf of Mexico, is scheduled. Sale No. 87, located in the Diapir Field, is also scheduled to occur in July. Sale No. 80, offshore Southern California, and Sale No. 82, in the North Atlantic, are both currently on hold.

The schedule for Fiscal Year 1985 currently includes six lease sales. Sale No. 88, in the Gulf of Alaska/Cook Inlet, is currently scheduled to take place in December 1984. Sale No. 90, in the South Atlantic, is scheduled for March 1985 while Sale 89, in the Saint George's Basin offshore Alaska, is scheduled for April 1985. In May 1985, Sale No. 98, in the Central Gulf of Mexico, is scheduled. Two sales are currently scheduled for August 1985. Sale No. 92, offshore Alaska in the North Aleutian Basin, and Sale No. 102, in the Western Gulf of Mexico, are currently scheduled for that month. The Committee will be kept informed of any further changes in the status of the OCS leasing program for Fiscal Years 1984 and 1985.

These revisions to the leasing schedule will have some impact on revenue estimates for both fiscal years. The fiscal year 1984 OCS rental and bonus projections of $5.2 billion has been reduced by $1.35 billion to a new estimate of $3.85 billion, excluding amounts estimated to be placed in escrow. The Fiscal Year 1985 estimate in the President's budget for offshore bonus and rental receipts was $3.3 billion dollars and has been reduced by $0.8 billion to a new total of $2.5 billion.

OCS Environmental Assessment and Studies

Question: One of the most useful and critical inputs to the OCS preleasing environmental assessment process is your oil spill risk analysis. An oil spill risk analysis report is in fact prepared for each lease offering. Can you outline for the Committee how this analysis is developed, who is involved in its development, and how often it is changed or updated after is completion?

Answer: Oil spill risk analyses are prepared by the Environmental Modeling Group (EMG), Branch of Environmental Evaluation, Offshore Environmental Assessment Division. The 5 professionals and 3 technical/clerical assistants of EMG are located in Reston, Virginia, where they are supported by substantial computer facilities.

Oil spill risk analyses are conducted in three parts. The first part deals with the probability of oil spill occurence, the second with trajectories of oil spills from potential launch points to various environmental resources, and the third combines the results of the first two to give estimates of the overall oil spill risks. The probability of oil spill occurence is based on MMS records of past spills, adjusted for observed trends, combined with estimates of oil resources for each lease offering. The second part, modeling spill trajectories, requires collecting and processing a large amount of data on environmental resources, ocean currents, and winds. Locations of environmental resources which might be sensitive to oil spills are determined by MMS analysts in the regional offices; data on ocean circulation are provided by contractors under the Environmental Studies Program; and wind records are obtained from existing weather stations. The result of the second part is the probability that if a spill starts at a particular launch point it will contact an environmental resource. The third part, combining the first two, is repeated for each leasing alternative, and gives the overall probabilities that, if leasing occurs, spills will occur and contact the environmental resources. Each analysis takes approximately 4 months to prepare, and is completed 4 to 6 months prior to the draft EIS, to allow time for analysts in the regional office to incorporate the results.

After completion of the report, most analyses are rerun to study additional alternatives that are proposed in the evaluation process. This sometimes continues up to the leasing decision, with as many as 10 alternatives being examined. The oil spill model is designed to provide a quick "turn around" for these requests.

Question: The initial oil spill risk analysis report is essentially a model, thus technically only theoretical. Has MMS had an opportunity to monitor actual oil spills and compare them to previous models so that refinements can be made? If so, what have these comparisons shown?

Answer: MMS has tested the oil spill model against five actual situations:

- The Santa Barbara blowout of January, 1969.
- The Argo Merchant spill off the coast of Massachusetts in December, 1976.
- Drift bottle studies off the coast of California, conducted over several decades.
- A lumber spill off the coast of California in February, 1978.
- World War II tanker sinkings off Cape Hatteras, North Carolina, in 1942.

In all cases, good agreement between the model's predictions and the observations was shown. We conclude from this that the model is based on sound theory and uses adequate data.

Question: You indicate on page 33 of your justification that during FY 1984 you will publish seven drafts and seven final EIS's while four drafts and four finals will be in preparation. For FY 1985, you proposed to publish eight drafts and nine final EIS's while continuing preparation of four (draft) and three final EIS's. In reviewing the costs of such EIS's on pages 34 and 35, it appears that the total cost for both the Lease Offering and Development EIS for each sale totals over $1,300,000. While I realize that these are major EIS's, similar large scale EIS's conducted by Fish and Wildlife Service or by the Bureau of Land Management cost only $600,000 to $700,000. Why do your environmental impact statements cost nearly twice as much as others done by the Department? Are there ways the MMS can reduce these costs?

Answer: The costs for a lease offering EIS should not be added to that for a developmental EIS. They are two entirely separate documents. A developmental EIS is an environmental impact statement prepared for and based on the plan for development and production submitted by the lessee to DOI for approval. It is submitted only after the lessee has explored the lease and found hydrocarbons in amounts that the lessee believes can be recovered economically. The OCS Lands Act Amendments of 1978 require that DOI prepare at least one development EIS in each frontier area. For other development and production approvals, we will prepare an environmental analysis, tiering on the lease offering EIS, a much less rigorous and a more cost effective procedure.

The cost figures from pages 34 and 35 of the justification state the following estimated average cost for prelease environmental impact statements: $405,900 for the draft statement, $166,100 for the final statement. This reflects a total cost of $572,000 to prepare the draft and final prelease documents. The Minerals Management Service's cost figures are in the same range as those cited for other bureaus.

We do not have specific information on the environmental impact statements prepared by the other bureaus. However, we believe these bureaus do not prepare documents covering the broad areas addressed in the OCS EIS's.

Question: As I indicated, you perform an EIS for each lease sale. As many of your proposal sales in future months are in the same areas as past sales, will you have to conduct complete EIS's all over again, or can you just update past EIS's? Please comment in detail.

Answer: The Office of the Solicitor has advised us that each lease sale is a major Federal action significantly affecting the quality of the human environment. As such, current legislation requires that a separate EIS be prepared for each lease sale. In addition, new environmental data is generally available during the one or more years between lease sales. More exploration, and in some cases, development will have occured and more environmental data will have been provided by our environmental studies program. This new information will change resource estimates, the expected environmental effects of the next sale and the expected cumulative effects of the lease sales in the area.

The CEQ regulations allow for incorporating by reference material from previous environmental documents. The referenced material, however, must be summarized. In addition, the referenced material must be available for those persons reviewing the EIS.

As a result, although some data can be used from previous EIS's, especially the section on the description of the environment, subsequent EIS's for the same area represent essentially a new document.

Question: Included in your environmental studies activity is a program to monitor OCS oil and gas operations on areas leased in the past. Does this monitoring work include only offshore activities or does MMS also monitor onshore activities which are directly associated with the Offshore lease? Please detail exactly what, if any, onshore monitoring is conducted.

Answer: MMS does not monitor physical impacts onshore. However, in the time period between Fiscal Years FY 1973 and 1984, the Environmental Studies Program will have spent approximately $15 million on research to identify the socioeconomic impacts of offshore oil and gas activities. These efforts have identified Alaska as the primary region of concern for onshore impacts given the limited development and infrastructure as well as the potential for disruption of native cultural activities. Several studies have been conducted to monitor socioeconomic impacts of exploration activities in Alaska to date. The most recent of these studies was initiated in July 1983 to monitor the ongoing activities associated with the Federal/State Beaufort Sea Sale.

A study is being initiated in FY 1984 to develop a methodology for monitoring cultural change in the Beaufort/Diapir, St. George and Navarin regions as a result of offshore oil and gas activities in Alaska, and which will test this methodology in the Beaufort/Diapir region. This methodology will be used in the FY 1985 proposed study entitled "Monitoring of Social and Cultural Effects of OCS Activities." This study will monitor the cultural impacts in the St. George and Navarin areas from activities related to Sales 70 and 83. Cultural changes which are of concern are changes to the social, economic, and political organizations of a community, region or culture group which disturb the continuity of tradition and culture and which threaten the social well-being of the community, region or cultural group. Results of this FY 1985 study effort will be available in 1987.

Question: Part of your offshore monitoring includes the observation of the effects of OCS operations on various endangered species, including Bowhead and Gray Whales, sea otters and ringed seals. In general, what is the impact of OCS leasing on such species? Aside from simply not developing offshore resources, what specific actions has MMS taken to mitigate any negative impacts on such species? What actions in this regard would you expect to take in the future?

Answer: Of the species referenced in the question, bowhead and gray whales are listed as "endangered" under the Endangered Species Act (ESA); the southern (or California) population of sea otters is "threatened", and sea otters in Alaska are neither endangered nor threatened, nor are ringed seals. All these marine mammals may be affected by OCS activities, however, to varying degrees.

For each lease sale, an oil spill risk analysis is prepared to project the likelihood of oil spills occurring and contacting specific resources such as otter and seal habitat or whale migration and feeding grounds. For Alaska sales, this analysis has led to the judgement that impacts on any species resulting from OCS operations are generally not expected to exceed moderate. Moderate is defined as involving changes in only a portion of a regional population with respect to population abundance or distribution over a single generation. Under a moderate-impact scenario, changes in regional population with respect to abundance and distribution are considered unlikely.

The primary sources of noise that could disturb endangered whales are seismic surveys, aircraft flights, vessel traffic, and drilling operations. Noise from these sources could adversely affect these species through disruption of their normal migratory and feeding activity.

Section 7 of the ESA requires Federal Agencies to ensure that any action authorized, funded or carried out by the Agency is not likely to jeopardize the continued existence of a threatened or endangered species or adversely modify a critical habitat. Pursuant to this law, MMS consults with the Fish and Wildlife Service and the National Marine Fisheries Service on each sale to obtain a biological opinion on whether the proposed sale and exploration activities that might result from it would be likely to cause jeopardy. Further consultation is undertaken before development and production activities are permitted. Because the ESA bars any Federal action that might jeopardize endangered or threatened species, lease sales must be designed to avoid jeopardy. Avoidance of jeopardy may be achieved through adoption of specific mitigating measures developed in consultation with the Federal Agency with expertise on the species of concern or deletion of specific areas from the lease sale. For all sales involving bowhead and gray whales, sea otters, and ringed seals, nonjeopardy opinions have been received from the responsible Federal Agency.

The adverse effects of OCS operations upon various species are mitigated through the ongoing OCS regulatory program and the mitigating measures developed for specific lease sales.

The MMS has established many regulatory requirements for ongoing OCS operations. Requirements for blowout preventers, oilspill contingency plans, training of crews in the prevention of spills, and discharge permits from the Environmental Protection Agency are a few examples. Regulations require 17 major permits or plan approvals just to begin exploration and development. Also, the Technology Assessment and Research Program, the requirement to use best available and safest technologies, and the Platform Verification Program assure that developing technologies for deeper waters and for conditions in frontier areas will provide for human and environmental safety. The latter program has the specific endorsement of the National Academy of Sciences, which studied offshore safety issues.

Additionally, the MMS Environmental Studies Program is used to identify areas of special biological concern and to develop protective measures when areas are first considered for leasing. Consequently, areas may be deferred altogether from leasing or mitigating measures may be developed to protect areas or species from the anticipated adverse effects of OCS activities. In the case of Alaska sales, stipulations have been imposed which restrict drilling activities to ensure that areas frequented by endangered whales will be free of oil when these whales are present. Contracts for whale monitoring, funded under the Environmental Studies Program, are being used to determine the presence of whales. Lessees are informed of aircraft altitudes and horizontal distances that should be maintained to avoid disturbance to these and other environmentally sensitive species. Restrictions have been developed to protect whales from noise disturbance that may be created by geophysical surveying activities. Such restrictions may include a 2-week advance notice to MMS prior to initiation of activities and the requirement to place a lookout on vessels to monitor for the presence of whales. Geophysical activities may be suspended or modified according to weather conditions, ice conditions, or the species present. Alaska sales have also included stipulations requiring operators to conduct an orientation program covering, among other things, the importance of avoidance and nonharassment of wildlife and providing for special protection of biological populations and habitats requiring such protection. Sale notices have also included information clauses advising lessees of the requirement for them to comply with various laws and International Treaties protecting wildlife, including endangered marine mammals. These measures are reviewed and revised on a continuous basis as we learn more about these species from the Environmental Studies Program.

Environmental studies were initiated in the offshore leasing program in 1973, and by the end of FY 1984 the Department of the Interior will have spent more than $370 million for environmental studies. Since 1978 over $10 million has been spent on bowhead whale research to determine the distribution and abundance of these whales relative to lease areas, migration routes, and timing of migration periods. Studies have also focused on the possible effects of noise from offshore activity on these whales. Similar studies on gray whales have been funded over the past 2 years. Studies funding for these four species has been designated as follows: $10 million for bowhead whales; $1.7 million for gray whales; $3 million for ringed seals; and $900 thousand for sea otters.

It is important to note that the environmental record of the offshore oil and gas leasing program has been impressive. Offshore the United States as a whole, over 30,000 wells have been drilled, and between 1975 and 1982 the Federal offshore areas produced more than 2.2 billion barrels of oil and 33.8 trillion cubic feet of gas. Total spillage from operations during the period 1975-1982 was only 17,348 barrels of oil, or less than one barrel spilled for every 125,000 barrels produced. Recent studies have shown that since 1970, after implementation of stricter operating standards following the Santa Barbara spill, only 3 percent of oil pollution has resulted from offshore drilling operations.

Resource Evaluation Program

Question: Turning now to the Resource Evaluation Program, MMS acquires and analyzes geologic and geophysical data in order to develop mapping, to evaluate the formation and distribution of potential offshore resources, and to assist in determining bid adequacy. According to your justification, much of this data is "selectively" acquired from industry. This statement implies that MMS has limited access to such data. Is this in fact the case? How much of such data is available to MMS and how much is not? Does industry withhold data that MMS would find useful or necessary in the development and evaluation of each area?

Answer: Industry places no limit on MMS's access to data gathered offshore. Section 26(a)(1)(A) of the Outer Continental Shelf Lands Act states:

> Any lessee or permittee conducting any exploration for, or development or production of oil and gas pursuant to this Act shall provide the Secretary access to all data and information (including processed, analyzed, and interpreted information) obtained from such activity and shall provide copies of such data and information as the Secretary may request. Such data and information shall be provided

> in accordance with regulations which the Secretary shall prescribe.

Industry is, therefore, required to make all requested data available to the MMS. Based on current data holdings, the MMS inspects data and "selectively" acquires all or part of that which is available in order to fill gaps in its existing data base based on MMS information requirements. Since MMS has access to all such data, we can be selective in what is actually obtained, processed, interpreted, and used. No data information collected by industry on the OCS is withheld from the MMS.

Question: Included in your data collection activity is the acquiring of substantial amounts of Common Depth Point (CDP) seismic data. Since 1968, you have acquired over 850,000 line miles of such data, and are proposing to collect some 61,700 line miles during fiscal year 1985. How much of this proposed 1985 CDP data will be new and how much will update old information? Approximately what percentage of our OCS lease-sale areas have had such seismic data collected? In line miles, how much new data remains to be done?

Answer: During fiscal year 1985 much of the acreage in lease offerings which will be under evaluation is in OCS frontier areas. In addition, future leasing of deep water prospects necessitates acquisition of seismic data for regional resource estimates early in the leasing process and adequate data coverage is required for development of the next 5-year program and to fulfill requirements of Section 606 of the OCS Lands Act. It is, therefore, estimated that 75 percent of the 1985 CDP data will be "new." Currently there are no planning areas which are completely void of data. Existing coverage in some areas needs to be expanded to adequately map planning areas for future sales. With advancing technology in data acquisition equipment and methodology, industry will always continue to gather seismic data. As in the past, the level of exploration efforts will be determined by the quality and volume of data on hand and the specific requirements in the area of interest. The continual acquisition of seismic data by industry and the MMS is precipitated by: (1) nonexistent or inadequate seismic coverage over portions of planning areas, (2) the need to enhance or replace old data which does not have the quality obtained with current seismic recording systems (especially the case in mapping deep prospects), (3) changes in exploration strategy as a result of initial drilling, (4) discoveries in new stratigraphic horizons which often cannot be accurately mapped with old data, and (5) the need to shift exploration efforts to more subtle targets once large discoveries have been made. As a result, it is difficult to project the requirements of sufficient data coverage.

Question: The collection of 61,700 line miles of CDP data will reportedly cost $7,404,000 or $120 per line mile. Is this data collected solely by industry or does MMS contract for it? Is $120 per line mile the standard rate throughout the country or does it vary widely from area to area? Would it be less expensive for another agency, such as the Geological Survey, to perform this work?

Answer: the 61,700 line miles of CDP data represent the estimated amount of data to be selectively acquired by MMS from all the data collected by industry in fiscal year 1985. The MMS does not acquire data through exclusive contracts. An estimated cost of $120 per line mile for CDP data is a projected average cost over all planning areas. There is no standard rate and costs do in fact vary from area to area. Pursuant to the conditions of OCS permits, the MMS is only obligated to reimburse industry for the costs of processing, reprocessing, and reproducing data selected (no reimbursement is made for the cost of acquisition). Since the variation in costs primarily depend on the degree of processing required, the question of cost is heavily dependent on the geological and geophysical environment in which the data is collected, the nature of the target (large or small structure), and the quality of the data acquired. A comparison of the 1980 cost per line mile for exclusive purchase versus the cost to MMS ($1,397 per line mile vs $76 per line mile) clearly shows the value MMS receives for its expenditures. In terms of cost, quality, and availability of data, it is extremely unlikely that any Government agency could adequately meet MMS data needs.

Question: For fiscal year 1985, $3,610,000 is requested to produce tract and prospect-specific maps and analysis for 9 offerings completed and 24 offerings in progress. How much of this total is associated specifically with mapping? Does MMS develop its own maps? If so, wouldn't it be less expensive for USGS or a private contractor to perform such work?

Answer: The total amount of $3,610,000 is allocated to tract and prospect-specific mapping.

MMS develops its own maps through the acquisition, interpretation, and analysis of geologic and geophysical data. The MMS has a staff of petroleum geologists and geophysicists who do this type of work.

It would not be less expensive but most likely more expensive for the USGS or a private contractor to perform such work. The petroleum geologists and geophysicists of MMS focus on tract or prospect-specific analysis and mapping and use proprietary data. The results of MMS geologic mapping and analysis are proprietary and cannot be published. The research staff of the USGS is oriented towards basic regional geologic research using nonproprietary data and the publication of the results of their research. This separation of functions was also true when sale-specific work using proprietary data was done by the Conservation Division (now MMS) in the USGS.

Private contractors would most likely cost significantly more rather than less to provide the prospect and tract specific maps required by MMS. There is also a major problem of conflict of interest. Since the contractor would have access to the Government's proprietary data, any involvement in advising oil companies would constitute such a conflict.

OCS Regulatory Program

Question: Under your Regulation of Operations program, MMS has the responsibility to regulate and supervise all OCS oil and gas exploration, development, and production operations in a manner that ensures protection of the environment, protection of the natural resources and prompt and efficient exploration and development. In this regard, MMS has authority under Sections 24(b) and (c) of the Outer Continental Shelf Lands Act Amendments of 1978 to levy civil penalties of up to $10,000 per violation. In addition, up to $100,000 and imprisonment for up to 10 years can be proposed in instances of knowing and willful violations.

Please briefly describe how MMS has exercised this authority over the past 2 years.

Answer: Under regulations published in 1979, violations were recommended for penalty proceedings by the Offshore Program's District Supervisors. If the Regional Manager concurred with the recommendation, a reviewing officer was appointed, and penalty proceedings begun. During Fiscal Year 1983, the MMS interpretation of Sections 24(b) and (c) of the Act was found to be incorrect by judges in the Eastern District Court of Louisiana in two separate cases. These decisions rendered the regulations (30 CFR 250.80) invalid. MMS published the revised regulations in September 1983 to allow for reasonable time for correction of violations prior to imposing penalties, as the judges ordered. Internal procedures are being revised to provide field personnel instructions on determining reasonable time.

Question: Have many fines been levied or has MMS more often tried to work with industry to resolve violations without fines?

Answer: The MMS works with industry to resolve as many violations as possible without the use of fines. Since 1979, MMS has identified more than 16,000 violations through its field inspection program. Only 41 of these violations resulted in fines being assessed.

Question: For the record, please list all civil penalties levied during Fiscal Years 1983 and 1984, as well as knowing and willful violations during this period where penalties of one kind or another were imposed.

Answer: Civil penalties levied during FY 1983 and 1984 are listed below:

Operator	Amount	Date Collected	Violations
Shell*	$68,200	10/06/82	OCS Order No. 5 (Subsurface Safety Valve)
Pennzoil	$ 9,300	11/29/82**	OCS Order No. 2 (Oil Gas Separator)
Odeco	$ 5,500	11/15/82	OCS Order No. 5 & 7 (Pollution)
Odeco	$ 3,000	11/17/82	OCS Order No. 7 (Pollution)

Superior	$ 8,400	11/01/82	OCS Order No. 2 & 7 (Mud pit level indicator & pollution)
Odeco	$ 1,000	10/06/82	OCS Order No. 7 (Pollution)
Shell	$ 2,000	12/30/82**	OCS Order No. 3 (Plug & Abandon)
Mesa Petroleum	$15,200	11/17/82	Numerous
Chevron	$18,000	10/15/82	OCS Order No. 2

* District Court case, MMS assessment overturned.

** Date penalty was assessed.

There were other cases in progress during FY 1983 but all were terminated due to court decisions. There were no more penalty proceedings during FY 1983 and there have been none to date in FY 1984.

Question: With regard to the Technology Assessment and Research activity, you have proposed to perform some 25 technological investigations furing fiscal year 1984 and another 26 during FY 1985. Briefly, please give the Committee an idea of the type of investigations you are conducting under this program. What role do other governmental agencies such as DOE and USGS have in the development of these technological investigations? What role does industry play?

Answer: The Technology Assessment and Research Program (TA&R) provides an independent assessment of the status of the technologies used in OCS operations. The Program is directed at the problems of operating in the frontier areas of the deep open oceans and ice covered Arctic. The information is developed primarily for the use of MMS operations personnel. The research also provides an engineer-to-engineer dialog between MMS technical experts, the industry, and MMS operations personnel. Studies are conducted by universities, private companies, and Government laboratories. Project investigators are used as staff adjuncts to present their work to MMS operations personnel through a system of work groups known as Operations Technology Assessment Committees (OTACS) located in Regional OCS offices and headquarters. Projects are generally conducted in advance of OCS lease sales so that leasing can proceed with assurances that adequate technology is available. This TA&R Program and the OTAC technology transfer network is a primary method for assuring the use of the "best available and safest technologies. . . . which are economically feasible" as required by the OCS Lands Act Amendments.

The Program is limited to safety and pollution prevention in OCS operations. It assesses the "regulatory" or "inspection" technologies pertaining to:

- o blowout prevention
- o verification of the integrity of structures and pipelines
- o oilspill containment and cleanup.

About one-third of the projects of this confirmatory research program are assessments of existing technology, while the remainder examine technology gaps. Projects in this second category are, in fact, original research. The average research project requires about 3-4 years to complete. Thus, of about 25 active projects, there are about 8 new starts each year. Major emphasis presently is on operating problems in the Arctic (the engineering properties of sea ice, ocean bottom permafrost, prevention of ice accretion on structures, etc.), and the deep ocean (deep ocean blowout prevention procedures, drilling riser behavior in a current regime, catastrophic failure modes of tension leg platforms, etc.). About one-third of TA&R active projects are conducted in cooperation with the industry. These cooperative projects are proprietary and TA&R participation is the only way MMS can get the information in a timely manner.

The U.S. Geological Survey does not conduct these types of technology studies. The U.S. Coast Guard funds a few projects which address its drilling rig regulatory responsibilities. The TA&R Program participates in one of these regarding joint agency responsibilities in assuring tension leg platform safety. The Department of Energy (DOE) has a small budget for "Arctic and Offshore Research" and presently is beginning to formulate a studies program. A previous DOE program, now defunct, examined drilling technologies and certain sea floor engineering problems to promote the economic development of oil and gas.

In summary, the TA&R program, through its contract research and staff investigations, studies and coordinates closely with industry's research activities in areas of importance to MMS operational needs. These specific needs are (1) permit and plan approvals, (2) safety and pollution inspections, (3) enforcement actions, (4) accident investigations, and (5) well control training requirements.

Question: For the record, please list all such investigations conducted or proposed to be conducted under this activity for FY 1983, 1984 and 1985. Include in this listing a brief description of each such investigation.

Answer: The information requested is as follows:

Current Projects	1983	1984	1985
Blowout Prevention Procedures			
o An experimental investigation of the procedures used in deep ocean well control.	Continued	Continued	Continued

Mud Pulse Telmetry			
o Examining the feasibility of using digital mud pulsing signals at the location of the drill bit for providing on line safety related information while drilling.	Completed	—	—
Incipient Failure by RANDOMDEC			
o The study of a method of analyzing the decay curves of vibrations for assessing degrading structural integrity.	Continued	To Be Completed	—
Wellhead Fire Suppression			
o The thermal cooling of blowout fires by use of water sprays vs the time-honored use of explosives to blow out the flames.	Completed	—	—
Recapture of Blowing Oil Subsea			
o The use of subsea collectors placed above wellheads to recapture blowing oil.	Completed	—	—
Vibration Monitoring of Offshore Structures			
o Analyzing the frequencies of vibration of structures to determine structural integrity.	Completed	—	—
Robotics Technology for Underwater Inspection			
o The application of unmanned, untethered vehicles for pipeline and structures inspections.	Completed	—	—
Strumming of Marine Risers			
o The dynamic and fatigue behavior of marine risers and tension leg platform tendons subjected to deep ocean, high current regimes.	Continued	Continued	Continued

Structural Materials for Arctic Operations			
o Theory and experiment of the fracture toughness of welded joints subjected to cold arctic conditions.	Continued	Continued	Continued
Statistical Risk Analysis			
o An assessment of the application of engineering risk analysis to OCS operations.	Completed	--	--
Mechanical Properties of Sea Ice			
o To determine, experimentally, the engineering properties of multi-year pack ice for verifying the safe design of structures to be subjected to it.	Continued	Continued	Continued
Ultrasonic Underwater Inspection			
o To analyze by theory and experiment a new technique for remotely monitoring the behavior of underwater welded joints.	Continued	To Be Completed	--
Ice Forces Against Structures			
o Experimental measurements of the forces which build up around structures located in pack ice.	Completed	--	--
Piles in Clay Soils Under Repeated Lateral Loads			
o A theoretical and laboratory study of the deleterious effects of gaps formed around pilings by ocean induced pile vibrations.	Continued	To Be Completed	--
Tension Leg Platform Assessment			
o Evaluation of the various concepts for designing TLP's to understand the interaction of foundations with platform legs and to identify technology gaps.	Continued	To Be Completed	--

Fitness for Service Criteria of Fatigue Cracks			
o Developing guidelines through lab experiments for evaluating defects found during in-service inspections.	Continued	Continued	To Be Completed
Subsea Permafrost			
o A study of the effects of freezing, thawing, and vibration on the engineering properties of ocean bottom permafrost soils.	Continued	Continued	To Be Completed
Platform Reliability			
o A theoretical study to evaluate the dynamic behavior of offshore structures by means of probabilistic vs deterministic (safety factor) design.	Continued	Continued	Continued
Concrete in Cold Regions			
o Assessment of the use of concrete in cold arctic and sea ice conditions.	Continued	To Be Completed	—
Pile Foundations			
o Evaluate an effective stress theory for the interactions of saturated soils with piles.	Continued	Continued	To Be Completed
Structural Icing			
o An assessment of ice build-up and methods for its removal on ocean structures.	Continued	To Be Completed	—
Corrosion Fatigue of Pipelines			
o Studying the application of fracture mechanics techniques to assessing the integrity of corrosion fatigued pipelines.	Initiated	Continued	To Be Completed
Stability of Jack Up Platforms			
o An assessment of the foundation stability of jack ups with emphasis on leg settlement through bottom soils.	Completed	—	—

Tension Pile Test			
o Laboratory and full scale tests of the creep resistance of tension leg platform foundation pilings.	Initiated	Continued	To Be Completed
Caisson Monitoring Experiment			
o A study of energy dissipation of large ocean waves against structures.	Completed	--	--
Cracking of Tension Leg Platform Tendons			
o Theory and experiment to determine the susceptibility of high yield steels used for tendons (tension legs) to stress corrosion cracking and corrosion fatigue.	Initiated	Continued	Continued
Deicing and Ice Build-up Prevention			
o An experimental study of coatings for preventing the build-up of ice on structures.	Continued	Continued	To Be Completed
Rig Mooring Reliability			
o To provide to MMS operations personnel guidelines for assessing mooring analyses and hardware systems.	Conducted	--	--
Sea Floor Seismic Data			
o To obtain seismic data by means of ocean bottom instrumentation.	Initiated	Continued	Continued
Gravel Mat Foundation Reliability			
o Assessment of the use of gravel mats for supporting concrete monopod structures in the Arctic.	Conducted	--	--
Cracking of Weldments			
o The use of trace elements to detect radioactive cracking in tension leg platform tendons.	—	Initiated	Continued

Analysis Techniques for Compliant Structures			
o To determine reliable analysis techniques for verifying the integrity of tension leg platforms.	—	Initiated	To Be Completed
Evaluation of Stiffening Members			
o Post evaluation of damaged platform members to determine residual load carrying capacity.	—	Initiated	To Be Completed
Soil Flow on Pipelines			
o Theoretical and experimental study of the stability of pipelines subjected to shifting soils.	—	Initiated	Continued
Oscillation of Risers and Cables			
o Theoretical and experimental study of the increased hydrodynamic drag on structures and cables from ocean current induced vibrations.	—	Initiated	Continued
Remote Corrosion Monitoring of Structures			
o To determine if technology can be applied to remotely assess the integrity of pipelines subjected to corrosion.	Conducted	—	—
Pipeline Damage Mechanisms			
o To determine the structural damage mechanisms which cause buckling in pipelines during placement.	Initiated	To Be Completed	—
Ice Stress Measurements			
o The use of newly devised biaxial sensors to measure the ice stresses which build up against structures subjected to pack ice.	—	Initiated	Continued

Operations in Leasing Areas			
o Two participatory engineering assessment studies pertaining to development of oil and gas exploration and production in the Diapir Field, Alaska.	—	To Be Conducted	—
Use of Tankers in Oilspill Cleanup			
o Two engineering cost concept studies pertaining to the use of tankers to suspend subsea blowout oil collectors and surface collection booms.	—	To Be Conducted	Continued
Subsea System Inspections			
o Assessing the problems of inspecting subsea production systems.	—	To Be Conducted	—
Ocean Bottom Slumping			
o Examining the effects of bottom slumping on pipelines and structures.	—	—	Scheduled
Risk Modelling			
o Development of a risk analysis model, probably for offshore California operations.	—	—	Scheduled
Seismic/Structure Interactions			
o Interpreting the loads on structures from seismic shocks.	—	—	Scheduled
Oil Collection in Broken Ice			
o RFP for improved methodologies for collecting oil in broken ice fields.	—	—	Scheduled
Thermal Cooling of Structures Subjected to Blowout Fires			
o Experimental study of water sprays to cool structures to	—	—	Scheduled

Underwater Acoustic Imaging			
o The evaluation of acoustic imaging to the gross underwater inspection of structures in turbid waters.	—	—	Scheduled
o Three participatory engineering studies in new Arctic lease sale areas to identify potential engineering problems.	—	—	Scheduled

Royalty Management

Question: As noted in your budget justification, significant progress has been made in the development of your three new computer based accounting and auditing systems, the Auditing and Financial System (AFS), the Production Accounting and Auditing System (PAAS), and the Bonus and Rental Accounting Support System (BRASS). Among other important aspects of these systems is the ability of MMS to identify underreporting and nonreporting, and then take immediate action to communicate with payors and promptly collect revenues due.

Along these lines, you indicate on page 77 of your justification that in FY 1985 you expect your accounting center personnel will correct approximately 420,000 reporting errors identified through the AFS. This is down from an estimated 840,000 error corrections in FY 1984, but still represents some 35,000 errors per month during 1985. Can you explain for the Committee what kind of errors these are, who makes them, and why so many are made?

Answer: Examples of errors are: incorrect lease information on the form (SF 2014) used by the companies for monthly sales reporting; checks submitted without a report to identify where it is to be applied; a report submitted without a check; incomplete SF 2014's and data entry errors. The SF 2014 is by necessity a complicated form, even though we have tried to make it as clear and concise as possible. Industry has a high turnover of personnel responsible for filling out these forms and MMS also experiences turnover in the personnel responsible for data entry when these forms are received. Most computerized accounting systems with large databases suffer permanent error rate resulting from these types of errors. It is MMS's plan to reduce the AFS error rate to a lower than average level by the end of FY 1985.

MMS has taken numerous steps to reduce the error rate, resulting in a significant drop over the last 5 months. Among the most successful initiatives have been (1) training by MMS of company personnel; (2) the development of a "model" report form which the payor receives each month with pre-printed data from their computer file; and (3) special error reports by company which simplify error correction for the payor/reporter.

Question: Also on page 77, you indicate that there is a 30 percent turnover each year of royalty payors, thus causing a significant, continuing workload in keeping the computer files on each payor up to date. A 30 percent turnover, at least on the surface, appears to be particularly high. For what reason is it this high?

Answer: The budget document states that there is a 30 percent turnover in paying responsibilities. This rate refers to the number of data elements that change each year in basic payor information data. These changes result from actions which are quite common in the oil and gas business, such as lease assignments, reassignments, communitization, unitizations, and reallocations, as well as new wells coming into production, etc.

Question: The Bonus and Rental Accounting Support System (BRASS) is being developed to account for the collection of bonuses from onshore lease sales and rentals from over 125,000 Federal onshore nonproducing leases. While it is clear why it is necessary to account for this information, it does not seem clear why the development of a new, separate system is necessary. Why can't the AFS be modified to handle the nonproducing leases? Would it be less expensive to modify AFS in this respect or does it really make any difference?

Answer: The AFS could be modified to handle nonproducing leases, but the process would be costly, time consuming, and could cause problems for the operating of the system as it currently exists. Though the AFS and the BRASS are both financial accounting systems, there are enough differences between the two which make it impractical and expensive to combine the two into one system. The AFS and BRASS have different data bases, significantly different reporting requirements, and different participants. The AFS encompasses producing leases and records, accounts for, and distributes mineral revenues on a monthly basis. The BRASS data base encompasess nonproducing lease information, records payments once a year, and involves limited edit routines. The AFS is a very complex and computer intensive system, while BRASS is a relatively simple system.

The systems have been designed with compatible data bases so that information from BRASS can be transferred to AFS when a lease moves from nonproducing to producing status.

Question: Last year, MMS developed and instituted the use of an electronic funds transfer system for payors making payments at or above $50,000 on any given day. While it will save the Government an estimated $14.3 million in interest for FY 1984, what has been industry's general response to this system? Have you or will you attempt to resolve these identified problems?

Answer: Industry's general response to the electronic funds transfer system has been extremely positive. The MMS initiated a training program for industry, banks, and MMS offshore personnel. Industry in fact has written supportive letters to the MMS on this initiative and the training program which MMS conducted. There are no problems which need to be corrected.

Question: Since the inception of a professional audit program in October 1981 through September 1983, almost $81 million has been recovered in previously unpaid or underpaid royalties. This is indeed an accomplishment to be proud of, and MMS should be congratulated for its efforts.

How much in total did the audits show was unpaid or underpaid? What is being done to continue this collection effort; how much is expected to be collected during Fiscal Years 1984 and 1985; and how much does MMS calculate it will have to write off as a bad debt?

Answer: Total audit findings for October 1981 through September 1983 were $86.4 million. Of the $81 million in audit recoveries, $72.1 million represented underpaid or unpaid royalties. The remainder was accrued interest.

The Department intends to expand its audit and collection effort. First, the actual audit program will increase due to the shifting of auditors from the systems conversion and RAS account reconciliation projects to direct audit functions. Secondly, the FY 1985 budget includes a request for an increase in the residency audit program. Finally, the emphasis on the cooperative effort with States will continue with funding under the provisions of Sections 202 of FOGRMA.

During FY 1984 and FY 1985, estimated collections as a result of onshore and offshore audits is $43 million and $87 million respectively.

MMS by "itself" cannot write-off uncollected debts. When it appears likely that the cost of collecting a debt will exceed the revenue likely to be collected, MMS can recommend to the General Accounting Office that the debt be written off. To date MMS has not made such a recommendation and does not anticipate doing so as long as we have cost effective options that we can pursue. For example, we can turn uncollected items over to the Justice Department for collection or we can pursue shut-in or lease cancellation orders if payors remain unwilling to pay. Considering the continuing relationship most payors have with the Department in the mineral leasing area, these measures act as strong incentives to pay all obligations indentified as the result of audits.

General Administration

Question: You have indicated on page 101 of your justification that in fiscal year 1985 you will devote a great deal to time and effort to develop an MMS "Outreach" program. What do you specifically plan to do in this regard? How much money do you expect to spend in FY 1985 on this effort, and how does this compare to FY 1983 and FY 1984?

Answer: Responsibility for development and implementation of the "Outreach" program rests with the Office of Minerals Management Information.

The MMS "Outreach" program is intended to provide information to interested and affected groups. The program has three elements: The identification of interested groups; the identification of issues of concerns to those groups; and the development of appropriate materials to inform and educate them about the Interior Department's Offshore oil and gas leasing program. Initial efforts began in January 1983 with identification of interested members of the public (media, industry, special interest groups, Congress, other Federal agencies, State agencies, business groups, community groups, etc.) and development of mailing lists. Our lists have several thousand entries at the present time. Additional effort was expended in identifying issues specific to particular sales (e.g., environmental and safety concerns offshore Southern California). Various materials (fact sheets, pamphlets, issue papers, etc.) were developed and distributed in an effort to inform and educate specific groups as well as the general public.

During FY 1985, we will continue to identify issues of concern to these and other groups and produce and distribute information materials which address concerns associated with OCS lease sales.

The Office of Minerals Management Information budget for fiscal year 1983 was $211,000; for fiscal year 1984 it is $215,000; and for fiscal year 1985 it is estimated to be $215,000. The majority of our budget (61 percent) in each year goes for salaries (4 FTE). The remainder has gone both for traditional public affairs activities (news releases, responding to media inquiries, etc.) and for development of our "Outreach" effort.

Question: Included under the General Administration activity is an Appeals Division which has the responsibility to review, consider, make determinations, and recommend decisions on matters within the jurisdiction of MMS. What is the expected workload of the Appeals Division in 1985 and how does this compare with 1983 and 1984?

Answer: The workload of the Division of Appeals consists of new appeals filed furing any given year plus a carryover of unresolved appeals from prior years. Actual 1983 workload data is shown below in conjunction with expected workload data for 1984 and 1985.

	New Appeals	Carryover Appeals	Total Appeals Workload
1983	46	59	105
1984	66	65	131
1985	81	71	152

Increasing workloads are projected for 1984 and 1985 due to an increased level of effort of the Royalty Management Program, primarily in the areas of late payment charges and penalties, and accelerated audit activities.

Question: How many serve on the staff of the Appeals Division and what is your proposed budget for FY 1985?

Answer: The staff of the Division of Appeals consists of a total of six professional and clerical employees. In addition, the staff receives periodic assistance from a summer aid/student. The proposed budget for the Division for FY 1985 is $340,000.

Question: For the record, please provide a listing, including a brief description, of all appeals acted on during FY 1983 and thus far through FY 1984.

Answer: The requested listing appears below, it includes not only appeals which were processed to final disposition, but also appeals which were processed through any portion of the appellate procedure leading to disposition.

DIVISION OF APPEALS, MINERALS MANAGEMENT SERVICE
APPEALS ACTED UPON DURING FY 1983 AND THUS FAR THROUGH FY 1984

DOCKET NO.	ISSUE	APPELLANT
76-0011-MIN	Appeal of royalty audit.	Amax Lead Company of Missouri
76-0013-MIN	Appeal of royalty audit.	Homestake Lead Company of Missouri
76-0014-MIN	Appeal of royalty audit.	Cominco American Incorporated
76-0015-MIN	Appeal of royalty audit.	St. Joe Minerals Corporation
76-0016-MIN	Appeal of royalty audit.	Dresser Industries, Inc.
77-0005-MISC	NTL-5 challenge use of 53 cent/Mcf.	Montana-Dakota Utilities Co.
77-0006-IND	NTL-5 Lack of arm's-length contract because buyer and seller are related entities.	Fuel Resources Development Co.
77-0009-O&G	Royalties and reports on vented and flared gas.	Marathon Oil Company
77-0010-MISC	NTL-5 Contract price versus FPC ceiling price.	The Montana Power Company
78-0011-MISC	NTL-5 Value of production for royalty computation from wells spudded prior to 1/1/83-pipeline Co's.	Mountain Fuel Supply Company
78-0081-OCS	Additional royalties on natural gas liquids.	Placid Oil Company
78-0099-IND	NTL-5 liquid adjustment factor.	Texaco Inc.
79-0022-MIN	Appeal of order establishing time of payment.	Homestake Lead Company of Missouri
79-0023-MIN	Order establishing time of payment.	Cominco American, Inc.
79-0024-MIN	Appeal of order establishing time of payment.	Amax Lead Company of Missouri
79-0026-MIN	Order establishing time of payment.	Dresser Industries, Inc.
79-0138-O&G	Tax reimbursement in royalty value of natural gas.	Union Oil Company of California
80-0006-OCS	Request for proprietary treatment of well producibility determination	Exxon Company U.S.A.
80-0032-IND	Royalty computation - disallowing value reduction for transportation and gathering.	Koch Industries Inc.
80-0036-IND	Inclusion of tax reimbursement in royalty value.	Viersen & Cochran
80-0141-OCS	Payment of additional royalties.	Placid Oil Company
80-0142-OCS	Alleged overpayments for royalty oil.	Giant Industries Inc.
80-0148-O&G	NTL-5 allocation of production from unitized well as per unit agreement vs unit operating agreement	Mountain Fuel Supply Company
80-0153-O&G	Additional royalties payable for gas.	Texaco Inc.
80-0155-O&G	Royalty value of natural gas (Collier Chemical).	Union Oil Company of California
80-0156-O&G	Royalty value of natural gas (Swanson Rental).	Union Oil Company of California
80-0163-O&G	Denial of application to purchase Federal royalty oil.	Oklahoma Refining Co.
81-0028-OCS	Royalties on tertiary recovery.	Pennzoil Oil and Gas Inc.
81-0038-IND	Inclusion of tax reimbursement in royalty value.	Amerada Hess Corp.
81-0042-IND	Dual accounting for Jicarilla leases.	Conoco & Tenneco
81-0043-IND	Dual accounting for Jicarilla leases.	ARCO Oil & Gas Company
81-0044-IND	Dual accounting for Jicarilla leases.	Southland Royalty Company
81-0045-IND	Valuation of gas for royalty purposes from 6/21/74 through 6/1/77. I.G. audit report.	El Paso Natural Gas Company
81-0046-IND	Denial of request for credit for royalty overpayment on uranium production.	Cobb Resources Corporation
81-0048-IND	Dual accounting on Jicarilla leases.	Amoco Production Co.
81-0203-O&G	Inclusion of tax reimbursement in royalty value.	Wessely Energy Corporation
81-0205-O&G	Compensatory royalty.	Riggs Oil & Gas Corporation
81-0214-O&G	Price charged for royalty oil.	Giant Industries Inc.
81-0237-O&G	Late payment charges and liquidated damages	Kaiser-Francis Oil Company
81-0254-O&G	Liquidated damages.	Petro-Lewis Corporation
82-0033-OCS	Cancellation of royalty oil contract.	Vicksburg Refining Inc.
82-0041-MIN	Royalty payments on zinc concentrates.	Amax Inc.
82-0042-OCS	Assessment of civil penalties.	Sun Exploration and Production Company

DOCKET NO.	ISSUE	APPELLANT
82-0043-OCS	Assessment of civil penalties.	Conoco Inc.
82-0044-OCS	Assessment of civil penalties.	Conoco Inc.
82-0046-OCS	Amount of royalties on gas.	Amoco Production Company
82-0047-OCS	Restriction of seismic activities in the Beaufort Sea.	Western Geophysical Company of America
82-0048-OCS	Assessment of civil penalties.	Shell Offshore Inc.
82-0059-IND	Failure to obtain highest price for crude oil and natural gas.	Tom Brown, Inc.
82-0060-IND	Order to report and pay additional royalty on basis of highest posted price for Montana sour crude.	Phillips Petroleum Company
82-0061-IND	Liquidated damages for late filing of form.	Kaiser-Francis Oil Company
82-0074-IND	Liquidated damages for late payment of royalties.	Ramsey Engineering, Inc.
82-0226-IND	Inclusion of tax reimbursement in royalty value.	Old Dominion Oil Corporation
82-0231-O&G	Compensatory royalty.	Amoco Production Company
82-0233-O&G	Compensatory royalty.	Shell Oil Company
82-0240-O&G	Compensatory royalty.	El Paso Exploration Company
82-0245-OCS	Alleged overcharges for Federal royalty oil.	Hunt Oil Company
82-0256-O&G	Late payment charges and liquidated damages.	Kaiser-Francis Oil Company
82-0257-O&G	Royalty payments for production under a communitization agreement.	Conoco Inc.
82-0259-IND	Compensatory royalty.	Pennzoil Exploration & Production Company
82-0284-O&G	Liquidated damages.	Cities Service Company
82-0290-IND	Compensatory royalty.	Bruce M. McIntyre, et. al.
82-0292-O&G	Assessment of liquidated damages for failure to file royalty reports timely.	Southport Exploration, Inc.
82-0293-O&G	Assessment of compensatory royalty.	El Paso Exploration Company
82-0295-O&G	Compensatory royalty.	El Paso Exploration Company
82-0302-O&G	Liquidated damages	Cotton Petroleum Corporation
82-0400-O&G	Order to pay amount improperly withheld for Government's share of DOE price settlement.	Union Texas Petroleum
82-0402-OCS	Royalties on lease use gas.	Exxon Company U.S.A.
82-0403-OCS	Royalties on lease use gas.	Mobil Oil Exploration & Producing Southeast Inc.
82-0404-OCS	Royalties on lease use gas used outside of lease or unit area.	Gulf Oil Corporation
82-0405-OCS	Royalties on lease use gas.	Shell Offshore Inc.
82-0406-OCS	Royalties on lease use gas.	Texaco Inc.
82-0408-OCS	Confidentiality of well logs.	Mobil Oil Corporation
82-0409-IND	Dual accounting on Jicarilla leases.	Conoco Inc., et al.
82-0410-O&G	Computation of alledged royalty overpayment.	Blackwood & Nichols Co. LTD
82-0411-O&G	Computation of royalty at 12 1/2% under Act of August 8, 1946.	Conoco Inc.
82-0412-OCS	Order requiring additional royalties and late payment charges.	Amoco Production Company
82-0413-O&G	Liquidated damages and late payment charges.	Kaiser-Francis Oil Company
82-0414-O&G	Assessment of royalty for lost oil	Samson Resources Company
82-0415-IND	Compensatory royalty	Canterra Petroleum, Inc.
83-0001-OCS	Assessment of civil penalties.	Cities Service Company
83-0002-GEO	Inclusion in royalty base of revenues associated with effluent disposal.	Aminoil USA Inc.
83-0003-IND	Royalty on vented gas. The Indian lessor is appealing the settlement of Howard Walsh, Jr. O&G305/IN	Mr. Newton Lamar
83-0004-OCS	Erroneous determination that lease expired for lack of production.	EA/Tg Oil & Gas Co.
83-0005-O&G	Failure to include tax reimbursements in royalty value.	C. F. Braun and Company
83-0006-IND	Royalty assessment for flared gas.	Dietrich Resources Corporation
83-0007-IND	Inventory valuation of uranium.	Cobb Resources Corporation
83-0008-O&G	Including tax reimbursement in royalty valuation	Texas Oil & Gas Corp.
83-0009-MIN	Assessment of late payment charges.	NERCO Mining Company
83-0010-MIN	Advance royalty on coal.	Colorado Yampa Coal Company/Getty Min. Mark., Inc.

DOCKET NO.	ISSUE	APPELLANT
83-0011-OCS	Royalty values for gas processed at So. Timbalier and Henry Gas Processing.	Texaco U.S.A.
83-0012-OCS	Suspension of operations.	Mobil Oil Corporation
83-0013-OCS	Two-year statute of limitations on claim for refund.	Getty Trading and Transportation Company
83-0014-O&G	Order to utilize net-back formula in valuing LNG feedstock use gas from Kenai field in Alaska.	Marathon Oil Company
83-0015-OCS	Request for refund for royalty paid on lease use gas.	Mobil Oil Corporation, et al.
83-0016-IND	Dispute as to proper lessor. Lessee seeks to defer payment until proper lessor is established.	Diamond Shamrock Corporation
83-0017-OCS	Release of well logs.	Shell Oil Company
83-0018-OCS	Gas royalty overpayments.	Conoco Inc.
83-0019-OCS	Transportation allowances - Santa Clara Unit.	Chevron U.S.A. Inc.
83-0020-OCS	Release of well logs.	Chevron U.S.A. Inc.
83-0021-O&G	Lease reconciliation.	Exxon Company, U.S.A.
83-0022-O&G	Royalty attributed to settlement with DOE on overcharge on crude sales.	Depco, Inc.
83-0023-O&G	Late payment charge.	Mid-States Energy Corporation
83-0024-O&G	Order to pay additional royalty for underbilling for royalty oil because of incorrect valuation.	Petro-Lewis Corporation
83-0025-OCS	Size of transportation allowance on offshore royalty oil.	Amoco Production Company (USA)
83-0026-OCS	Transportation allowance for East Cameron Block 33 Field.	Amoco Production Company (USA)
83-0027-O&G	Interest on lost royalty payment for time value of money.	Evans & Carey, Incorporated
83-0028-OCS	Interest assessed on late royalty payments.	Samedan Oil Corporation
83-0029-O&G	Late payment charges.	W. A. Moncrief, Jr.
83-0030-O&G	Failure to value natural gas delivered to Nikiski, Alaska LNG plant on basis of "Phillips formula."	Marathon Oil Company and Union Oil Company
83-0031-O&G	Ad valonem tax reimbursement included in royalty value.	Champlin Petroleum Company
83-0032-OCS	Validity of required certification of a refund request pursuant to a notice to lessees and operators	Mobil Oil Exploration & Producing Southeast Inc.
83-0033-O&G	Royalty on gas based upon FERC ceiling price and royalty on tax reimbursement.	Kerr-McGee Corporation
83-0034-OCS	Refund for royalties paid under section 6 leases (La.) for fuel oil and gas.	Sonat Exploration Company
83-0035-IND	Transportation allowance used to compute royalty.	Baruch-Foster Corporation
83-0036-OCS	Royalties payable for oil and gas.	CNG Producing Company
83-0037-OCS	Interest charges on late payments of royalties, for lease-use gas,produced under section 6 leases.	Mobil Oil Onrporation
83-0038-O&G	Royalty on vented gas.	Lewis Energy Corporation
83-0039-O&G	Compensatory royalty for drainage.	Reading & Bates Petroleum Co.
83-0040-OCS	Rescission of transportation allowance for royalty oil.	Giant Industries, Inc.
83-0041-OCS	Royalties for fuel-use hydrocarbons under Section 6 leases.	Shell Offshore Inc.
83-0042-OCS	Interest charged on late royalty payments.	Tenneco Oil Company
83-0043-OCS	Transportation allowance from Vermilion B. 282 to E. Cameron 272.	Texaco Inc.
83-0044-OCS	Transportation allowance E. Island Block 205 Unit.	Texaco Inc.
83-0045-OCS	Refusal to initiate unitization proceedings.	Trunkline Gas Company
83-0046-OCS	Additional royalties for gas.	Transco Exploration Company and TXP Operatin Co.
84-0001-IND	Royalty value of gas adjusted for Btu content.	W. A. Moncrief
84-0002-OCS	Refund request gas royalties South Marsh Isl. Block 51.	Shell Offshore Inc.
84-0003-IND	Pay royalty under Blanchard decision.	Cotton Petroleum Corporation
84-0004-IND	Royalty computation and/or payment discrepancies.	Altman Energy, Inc.
84-0005-OCS	Royalties on lease use gas under section 6 leases.	Odeco Oil and Gas Company

Question: For the record, please provide a detailed list of all work contracted by MMS during FY 1984 and that proposed for contract during FY 1985. Include in this list a brief description of the work to be contracted, the amount of each contract and, where applicable, the name of the contractor.

Answer: A list of all procurement actions in process and those awarded to date for FY 1984 is being provided separately. The FY 1985 Advance Procurement Plan is not available at this time. MMS will provide the FY 1985 plan to the Committee when it becomes available late in FY 1984.

The following is a summary of the FY 1984 projected procurement budget and the current status of procurement actions:

Advance Procurement Plan (11/22/83)

Total Contracts	$52,200,293
Total Small Purchasing	9,900,000
Total Interagency Agreements (IA)	9,000,000
	$71,100,293

Contracts

Awards as of 3/30/84 (including IA's)	$16,380,908
In-process (including IA's)	$20,759,723
Total	$37,140,631

Small Purchasing

Awards through 3/30/84 (estimate)	$ 4,308,700	
In-process (estimate)	675,000	
Total	$ 4,983,700	
Total awarded/in process		$42,124,331

SUBCOMMITTEE RECESS

Senator McClure. This will conclude the subcommittee's meeting this morning. We will stand in recess until Tuesday, March 27, when we will review the fiscal year 1985 budget request for the Bureau of Indian Affairs.

Thank you very much.

[Whereupon, at 11:31 a.m., Thursday, March 22, the subcommittee was recessed, to reconvene at 2 p.m., Tuesday, March 27.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1985

TUESDAY, MARCH 27, 1984

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2 p.m., in room SD-138, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senator McClure.

DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS

STATEMENT OF HON. KENNETH L. SMITH, ASSISTANT SECRETARY, INDIAN AFFAIRS

ACCOMPANIED BY:

- **JOHN W. FRITZ, DEPUTY ASSISTANT SECRETARY, INDIAN AFFAIRS, OPERATIONS**
- **RICHARD M. BALSIGER, DIRECTOR, OFFICE OF ADMINISTRATION**
- **MICHAEL J. O'BANNON, ACTING ASSISTANT DIRECTOR, FINANCIAL MANAGEMENT**
- **KENNETH G. ROSS, ACTING DIRECTOR, OFFICE OF INDIAN EDUCATION PROGRAMS**
- **NANCY C. GARRETT, DEPUTY DIRECTOR, OFFICE OF INDIAN EDUCATION PROGRAMS**
- **WILLIAM C. KLOSTERMEYER, ACTING DIRECTOR, OFFICE OF BUDGET, OFFICE OF THE SECRETARY**

PREPARED STATEMENT

Senator MCCLURE. The committee will come to order.

This is the time scheduled to review the fiscal year 1985 budget estimates for the Bureau of Indian Affairs. The fiscal year 1985 budget request totals $992,696,000, an increase of $20,974,000 over fiscal year 1984 appropriations to date. Also pending are several supplemental requests for pay costs and programs totalling $36,831,000.

Mr. Smith, it is a pleasure to again welcome you before this subcommittee. As you know, your opening statement will be placed in the record in full at this point.

[The statement follows:]

STATEMENT OF KENNETH L. SMITH

I am pleased to appear before you today to discuss the FY 1985 budget for the Bureau of Indian Affairs' programs.

The FY 1985 appropriation request of $928.7 million represents an increase of approximately $21 million over funding appropriated to date for FY 1984. A comparison of the FY 1985 request with the FY 1984 appropriations to date is attached.

We also have proposed three supplementals for FY 1984 as part of the FY 1985 budget submission. These are: $7.4 million to meet increased costs associated with the projected rise in the tribes' general assistance case load; $17.0 million to resolve the interim water supply needs for the Ak Chin Indian Community as well as funding to initiate actions required to meet permanent water needs; and $14.0 million for fire suppression activities. As directed by the Conference Committee, the total financing proposal related to the Bureau's FY 1984 automated data processing (ADP) program will be submitted shortly. The Bureau will also submit a financing package for the FY 1985 ADP program. In the near future, the Bureau intends to submit an FY 1985 financing plan to eliminate the hazard associated with the pen stocks at Coolidge Dam.

Funding for the Operation of Indian Programs in FY 1985 is $855.4 million compared to $823.9 million appropriated in FY 1984 to date. For the Operation of Indian Programs, the budget calls for $273.5 million for Indian education; $212.6 million for Indian services; $67.1 million for economic development and employment programs; $96.9 million for natural resources development; $47.7 million for trust responsibilities; $90.2 million for facilities management; and $67.4 million for general administration.

Funding for the Construction Program totals $73.3 million in FY 1985 as compared to $78.9 million in FY 1984. In addition, the Bureau of Reclamation is requesting $5 million in authority for FY 1984 and $9.1 million in FY 1985 for the Headgate Rock hydroelectric project for the Colorado River Indian Reservation.

No funding is requested for the Road Construction program in this request. However, the Bureau will be receiving $100 million in contract authority from the Highway Trust Fund for the construction of roads on reservations under the Surface Transportation Act of 1982. In conjunction with the road construction project funding, we are proposing appropriation language which will permit the Bureau to finance program management and engineering supervision from trust fund resources at a level not to exceed $6.0 million. This change combines all of the costs associated with road construction under a single funding source. This provides the strongest incentive to keep administrative costs at the most cost effective level.

We intend to use funds efficiently to meet program needs on the reservations, to continue implementing the President's Indian policy statement, and to achieve the management objectives we have set for the Bureau of Indian Affairs for FY 1985.

While Federal spending is constrained to the most essential services, the Administration and the Secretary of the Interior have been strongly supportive of maintaining funding levels for critical Indian programs and requesting increases for priority projects and initiatives in the budget.

MAJOR EMPHASES OF THE FY 1985 BUDGET

The FY 1985 appropriation request will provide for numerous Bureau funded services for the approximately 755,000 Indians/Alaska Natives who belong to the 504 federally recognized Indian tribes and Alaska Native groups and live on or near reservations. The request will fund technical and financial assistance to 307 federally recognized Indian tribes and 197

Alaska Native groups for improving and strengthening tribal government operational capabilities in order that those governments can exercise the full range of their inherent powers to better serve tribal members and communities. The request will also provide for the protection, development, and management of 52.5 million acres of lands under the jurisdiction of the Bureau of Indian Affairs.

Indian Education

The school operations program will provide elementary and secondary educational opportunities for approximately 41,000 Indian students attending 181 federally operated and contracted schools in 24 states. Bureau funding will provide for the operation of 15 dormitories which will serve nearly 2,000 students and for the educational costs of approximately 280 institutionalized handicapped Indian children.

The Johnson O'Malley Education Assistance program will provide funding of supplemental education programs for 176,000 Indian students, from age 3 through grade 12, attending public schools in 26 states.

The continuing education program will provide financial aid to nearly 13,700 eligible students attending undergraduate institutions and special higher education grants will provide assistance to about 270 Indian students seeking graduate level study. The adult education program will allow 10,400 adult Indians at 69 Tribe/Agency locations to complete high school or gain new skills and knowledge. The post-secondary program will provide approximately 2,000 students with junior college level educational opportunities at the three Bureau funded facilities. The nineteen tribally controlled community colleges will allow over 3,500 Indian students to further their education at facilities located on or in close proximity to Indian reservations.

Indian Services

The tribal government services program provides funds for community services, fire protection, agricultural extension, tribal enrollment and technical support to tribal government administrative activities. It will also provide for the improvement and operation of 119 tribal courts and 19 courts of Indian offenses which enforce and adjudicate the provisions of tribal law and order codes. The social services program will provide general assistance grants to eligible Indians in 14 states with an expected average participation rate of 70,000 persons per month. This is an increase of 1,100 persons per month over FY 1983 and in line with our current estimate for FY 1984. This includes direct financial assistance, institutional or custodial care, and contracts with tribes to run tribal work experience programs with an estimated participation rate of 4,300 persons for FY 1985. Child welfare assistance will provide foster home care and residential care for handicapped children at the estimated rate of 3,000 participants per month on reservations.

The law enforcement program will utilize criminal justice personnel to staff and operate a program providing services to an estimated 475,413 Indian population while patrolling approximately 106,000 square miles of Indian Country as well as off-reservation treaty fishery sites. There are 23 states with 163 reservations where the Bureau and tribal governments provide law enforcement services.

Self-determination grants to tribes, as defined by Public Law 93-638, will total 470 in FY 1985. These grants will be utilized to: strengthen tribal governments (440 grants); plan and evaluate Federal programs (20 grants); design Federal programs (7 grants); and acquire land (3 grants). The tribal needs addressed through activities conducted under self-determination grants reflect an on-going process of political change and growth by the tribes as well as expansion of the tribes' capabilities to contract for the operation of Bureau programs.

Economic Development and Employment Programs

The employment assistance program will provide funding for approximately 4,557 adult vocational training participants, at an average cost of $4,500 per trainee, and job placement assistance to an estimated 2,381 direct employment participants, at an average cost of $2,400 per participant.

The economic development grant program will fund an estimated 40 grants in FY 1985 for the purposes of initiating business development of tribal resources, encouraging non-federal investment, and promoting sound business principles. This compares with 20 tribal grants in FY 1984.

The credit and financing program for FY 1985 includes assistance and administrative services for approximately 90 outstanding guaranteed loans with a face value of over $85.5 million; assistance and services on outstanding loans totalling over $100 million made from the Indian Revolving Fund for Loans; and assistance in the administration of tribal relending programs. In FY 1985 approximately $16 million will be loaned from the Revolving Fund for Loans.

The road maintenance program will provide for the repair and maintenance of 25,600 miles of public roads serving Indian reservations. Of this amount, approximately 18,000 miles are graded and surfaced.

Natural Resources Development

The natural resources programs provide for the protection, inventorying, development and management of Indian natural resources on 52.5 million acres of lands under the jurisdiction of the Bureau of Indian Affairs.

The agriculture program will provide technical assistance through 76 agency offices to 284 Indian reservations for protection and value enhancement of the Indian agronomic and range resources and will maximize income while maintaining and/or improving the Indian resources of the 42 million acres of Indian rangelands. In FY 1985, it is estimated that this program will assist 19,000 farmers, 11,300 ranchers, provide 7,300 farm and ranch management plans, prepare 8,100 farm lease stipulations, issue 1,800 range permit modifications, and perform 4,900 range unit compliance inspections.

The forestry and fire suppression program will provide forest management services to 13.3 million acres of Indian forest land representing 104 forested reservations in 23 states. The expected value of harvested timber for FY 1985 will total $100 million, an increase of $20 million dollars over FY 1984. This program has the responsibility for the protection of over 59 million of forest and range land acres on and adjacent to Indian lands.

The wildlife and parks program will support 23 Indian fish hatchery and rearing facilities that will produce and release approximately 70 million salmon and trout. It will provide fishery technical assistance necessary in order to adequately conserve, protect and develop fish resources on Indian lands.

The minerals and mining program will continue to provide technical, economic and land-use data to Indian landowners seeking to manage and develop their minerals resources. As of September 30, 1982, tribes or individual Indians had 5,582,471 acres under mineral leases with a total income to Indians of over $396 million. This compares with a total income of approximately $289 million in FY 1981.

The irrigation and power operation and maintenance program will assist entitled Indian landowners to conserve water, and to properly operate and maintain the irrigation water delivery systems on 61 of 70 Indian irrigation projects. The other nine are Category I projects where the assessments are fixed at a rate to return the full operation and maintenance cost. The 70 projects will provide irrigation acreage totalling nearly 700,000 with a gross crop value estimated to be in excess of $100 million.

Trust Responsibilities

The Indian rights protection program for FY 1985 will continue to protect those rights which the United States guaranteed to the various federally recognized Indian tribes through treaty, statute, or executive order.

The real estate services program will provide protection and enhancement of the corpus of the Indian trust estate by providing both individual Indian landowners and Indian tribes with the professional, technical, administrative, and protective services required of the United States in its role as trustee of Indian owned real property. Over $400 million was derived from farm, business, oil, gas and mineral leases for the fiscal year ending September 30, 1982. Funding for surveys in the amount of $1.1 million will provide approximately 540 miles of boundary surveys.

Financial trust services will provide individual Indians and Indian tribes with technical, administrative, and protective services that are duly rendered to a beneficiary under any lawful trust created to protect, maintain or enhance the corpus of the trust estate. In FY 1983, $1.676 billion of trust fund revenues were invested with a per annum earnings of $171.0 million, 262 tribes were serviced, and 250,000 Individual Indian Money Accounts were maintained.

Facilities Management

The facility operation and maintenance program provides building maintenance services to facilities which support Bureau and tribal programs, particularly Bureau and contract schools. Currently the Bureau operates about 29,000,000 square feet of space through preventive and routine maintenance and provisions of utilities. A recent change in the operation and maintenance program will give school principals a role in the direct supervision of custodial work performed at educational facilities.

In the coming year, the GSA rental program will provide over one million square feet of space for Bureau operations, and new Bureau facilities will add 183,200 square feet to the present facility inventory.

Construction

The facilities improvement and repair program (FI&R) will address a variety of problems in existing Bureau facilities. Work will continue to focus upon structural and functional deficiences, code compliance and life safety items, handicapped accessibility, energy conservation, and repair and replacement of mechanical and electrical systems. We will continue to analyze and set priorities for FI&R projects through consultation with facility users, especially in the education program.

The education construction program will provide for construction of a school on the Western Cheyenne River Reservation (Western Cheyenne River Consolidated School) to replace three smaller schools (Cherry Creek, Bridger, and Red Scaffold) which are in poor condition and will be closed.

The irrigation systems program will provide funds for the Papago Irrigation Project as part of the implementation schedule for the Southern Arizona Water Rights Settlement Act. Funds are included for the implementation of the safety of dams program as directed by Secretarial order. Structural modifications are scheduled for Blackfoot Dam, Idaho and Many Farms Dam, Arizona.

The Bureau's housing program will continue renovation of existing homes to ensure decent, safe and sanitary housing in Indian communities. In 1985 it is estimated that the Bureau will provide for the renovation of 3,881 existing units and the construction of 332 new housing units for those clients who do not qualify for other Federal housing or private financing for home construction.

Road Construction

In FY 1985, project as well as program management and engineering supervision costs are financed through contract authority of $100 million from the Federal Highway Trust Fund, Department of Transportation, and are not included in this request.

Management Initiatives

The functions of the Office of Construction Management will be transferred to the Bureau in order to unify accountability and responsibility for both policy and management of the entire facility program. The present division of authority detracts from our ability to effectively coordinate efforts in new construction, facility improvements and repair, and facility maintenance.

Several initiatives to improve the Bureau's financial and trust fund management will be continued and accelerated. These initiatives include: redesign of the finance system; implementation of a trust fund management plan, reconciliation of accounts; development of a national Individual Indian Monies (IIM) system; streamlining procedures to comply with the Prompt Payment Act; and reduction of outstanding debts.

1985 Program Objectives

This 1985 budget request reflects an emphasis on four major areas of responsibility. They are:

1) To recognize and preserve the rights of tribal self-government and to strengthen tribal capacity to govern;
2) To fulfill the federal government's trust responsibility to American Indian tribes;
3) To promote reservation economic development and economic self-sufficiency; and
4) To strengthen the Bureau's ability to serve Indian people by improving management.

PRESIDENT'S INDIAN POLICY

This Administration continues to promote Indian self-determination by strengthening tribal governments and decreasing unnecessary Federal intrusion in reservation affairs. We also are seeking ways to build economic self-sufficiency for American Indians and Alaska Natives. The key to the new approach is the President's American Indian Policy Statement issued in January 1983. That policy reaffirms the government-to-government relationship; reinforces the concept of Indian self-government and self-determination; supports economic development by attracting private capital; and establishes a Presidental Commission which has begun its work and will submit its report to the President by November 30, 1984. In support of this policy, the major Bureau thrusts in FY 1985 are described below.

- An effort initiated three years ago to intensify and strengthen the government-to-government relationship through regularly scheduled meetings with tribal leaders and national Indian organizations will be continued. The Assistant Secretary - Indian Affairs meets regularly with various tribal leaders and organizations for direct consultation on policy, budgetary and program matters.

- The economic development grants program would double providing approximately 40 grants averaging $240,000. This program supports the policy to encourage private sector financing in business development of tribal resources. It is estimated that this program will result in $30 to $40 million in private capital to help develop Indian economies. In FY 1983 applications were received which would have generated $106 million in private capital had they all been funded. The FY 1984 program is expected ~~to~~ generate approximately the same amount of requests.

- The Indian services programs are directed toward enhancement of tribal governmental capabilities to deal independently and successfully with both social and economic growth on reservations. Tribal government services will be expanded to improve and strengthen the technical support provided to tribal governments and the tribal court systems. Special initiatives will be directed to formal training, specialized guidance, improvement of tribal governing documents codes, and other regulatory controls which will strengthen a tribe's capacity to govern.

- Self-determination grants will be more specifically directed to those activities which will enhance tribal government capabilities to manage and operate those Bureau programs which are more appropriately and can be more effectively operated by tribal governments and will decrease Federal intrusion in tribal affairs.

- We are continuing to encourage tribes to contract programs. Over the past ten years these efforts have resulted in a significant increase in the number of contracts and the amount of direct service contracted funds. In 1985 we estimate that we will contract with 325 tribes/tribal groups, under approximately 1,275 contracts, totalling $250 million or 27% of the total Bureau budget.

- The small tribes initiative began in FY 1983 and will be increased by $1.5 million or 43% to assist 300 small tribes and Alaska Native villages (out of a possible 400) in establishing and strengthening a core-management capability to administer tribal affairs and programs in a competent and responsible manner.

- The natural resources development programs concentrate on activities which will provide income and support economic growth on reservations. Activities in the areas of forest management and development, minerals exploration and production, improving range and farm lands, and improving agriculture methods to increase yield and quality of production remain a high priority.

- The Indian road construction program will be funded by a $100 million allocation of contract authority from the Highway Trust Fund of the Federal Lands Highway Program, Department of Transportation. Under the Surface Tranportation Assistance Act, P.L. 97-424, with contract authority from the Federal Highway Trust Fund, the Bureau, in FY 1983, 1984, 1985, and 1986, will almost double its road construction program. This effort will support development of reservation resources and economies by providing and improving access routes.

- Direct loans from the Revolving Fund for Loans will also be made available to tribes, Indian organizations and individual Indians and Native Alaskans to assist them with developing and utilizing their own resources to better their economic conditions.

RECENT INITIATIVES

In other recent initiatives which may be of interest to the Committee, the Bureau:

- Provided $5.0 million in FY 1983 in "seed money" to 21 tribal ventures which attracted another $20 million of their funding from non-federal sources. Enterprises approved included: a restaurant, a grocery store, a sand and gravel business, a manufacturing business, an electronics plant, a marina, a tug and barge business, real estate development business and agricultural programs.

- Established an Office of Data Systems to manage its ADP services and to implement the Congressional directives identified in the House, Senate, and Conference reports. The FY 1984 and FY 1985 programs have been limited to essential program administration needs and all requests for additional hardware and systems applications have been frozen.

- Is creating about 7,800 jobs on Indian reservations through $114.5 million appropriated under the 1983 Emergency Jobs Act, and allocated $30 million for rehabilitation of 36 reservation irrigation projects; $12.5 million for erosion control, weed and brush removal, range and agricultural conservation; $10 million for improving reservation jails; $30 million for reservation housing, including construction of 300 homes and rehabilitation of 1,600 homes; $4 million to reforest 19,000 acres and thin 25,000 acres of reservation timber lands; $1 million for forest road maintenance; $2.5 million for stream clearance and fish hatchery development; and $24.5 million for construction of a high school on the Hopi Reservation.

- Contracted to write eight self-instructing realty manuals which will be used in conjuction with formalized training. The Office of Trust Responsibilities is also working with Education and Indian community colleges regarding a 2-year accredited realty program.

- Determined, in an Interior Solicitor's opinion, that the Bureau of Indian Affairs would not lose its authority to return several million dollars in annual administrative fees to the tribes from Indian timber sales.

- Road construction on Indian reservations has been increased twofold in the past two years, bringing much needed development to the reservations. This has also made a substantial contribution to Indian employment; and policies have been developed to increase dependence on Indian engineering firms and Indian contractors and subcontractors.

- Initiated a feasibility study to assess the value of a forest products marketing cooperative, at the request of the tribes in the Northwest.

- Planted 11,500 acres of commercial forest land, and thinned an added 30,000 acres of overstocked forest land in FY 1983.

- Completed forest management plans on 12 major forested reservations, in the past two years.

- Conducted over the past four years, 96 water studies on 63 reservations. These are directed toward negotiation of water claims, and include historical, soil, fisheries, range, minerals, recreation, water, as well as developmental planning.

- Initiated a five-year program to increase the productivity of 900,000 acres partitioned to the Navajo Tribe under provisions of the Navajo-Hopi Land Settlement Act.

- Increased income to Indian tribes from mineral leases to an all-time high of $396.3 million in 1982. This was 58.2% higher than the previous year's revenues. Of this income, $368.2 million came from oil and gas leases.

- Assisted Sinte Gleska, one of 19 tribally-controlled Indian community colleges to become the first Indian college in the country to receive accreditation on the four-year baccalaureate level. A few months later, the Oglala Tribal Community College, located on the Pine Ridge Reservation in South Dakota, also received accreditation.

- Published proposed education standards and criteria for Bureau of Indian Affairs schools and dormitories in 1983 which we expect to promulgate during FY 1984.

- Established attendance boundaries for all Bureau funded schools, with the exception of Navajo and off-reservation boarding school, which will be completed by summer.

- Reviewed all major regulations affecting education programs in preparation for revision, simplification and updating.

- Developed funding distribution alternatives for the Johnson-O'Malley program which will be voted on by tribes.

- Implemented the major recommendations of the congressionally mandated SIPI "Task Force", within available funds, which have markedly improved the quality of educational programs and have resulted in maximum student enrollment.

- Supported legislation to return 25,000 acres of National Forest Land to the Cochiti Indian Tribe of New Mexico. The land had been wrongfully taken from the Cochitis more than 100 years ago.

- Concluded an Agreement-in-Principle for water claims of the Ak-Chin Indian community in Arizona. In September 1983, the Tribal Council and the Secretary of the Interior signed the agreement providing for delivery of permanent water supply to the Tribe by 1988. The agreement will also provide for additional economic benefits to the Tribe and reduce overall costs borne by the Federal Government.

- Executed contracts with the Papago Tribe of Arizona, the State of Arizona, the City of Tucson and other local entities to implement the Papago water settlement reached in 1982. Provided $15 million directly to the Tribe for a trust fund and made a $5.3 million Federal contribution to the Papago Cooperative Fund.

- Entered an agreement with the North Slope Borough in Alaska which provides for the transfer of the Barrow Gas fields and facilities to the Borough. The agreement ensures local control over resource use and development and reduces costs to the Federal Government.

CONCLUSION

Mr. Chairman, this concludes my prepared remarks. My staff and I will be pleased to answer any questions you may have.

ATTACHMENT 1

BUREAU OF INDIAN AFFAIRS
FY 1985 BUDGET REQUEST (IN THOUSAND DOLLARS)

	FY 1984 Approp. to date	FY 1985 Budget Estimate	(+)(-) Changes
School Operations	176,933	180,683	+3,750
Johnson O'Malley Education Assistance	26,000	26,185	+185
Continuing Education	52,821	53,243	+422
Education Contract Support	--	13,340	+13,340
EDUCATION	255,754	273,451	+17,697
Tribal Government Services	23,694	26,115	+2,421
Social Services	99,609	105,752	+6,143
Law Enforcement	34,944	36,409	+1,465
Self-Determination Services	58,779	25,255	-33,524
Navajo-Hopi Settlement Program	3,951	3,830	-121
Indian Services Contract Support	--	15,240	+15,240
INDIAN SERVICES	220,977	212,601	-8,376
Employment Development	26,341	25,787	-554
Business Enterprise Development	10,521	16,220	+5,699
Road Maintenance	22,081	22,337	+256
Econ. Develop./Employ. Contract Support	--	2,730	+2,730
ECONOMIC DEVELOPMENT & EMPLOYMENT PROGRAMS	58,943	67,074	+8,131
Forestry and Agriculture	76,282	76,552	+270
Minerals, Mining, Irrigation and Power	16,406	15,819	-587
Natural Res. Dev. Contract Support	--	4,551	+4,551
NATURAL RESOURCES DEVELOPMENT	92,688	96,922	+4,234
Indian Rights Protection	17,823	17,951	+128
Real Estate and Financial Trust Services	27,531	28,979	+1,448
Trust Responsibilities Contract Support	--	813	+813
TRUST RESPONSIBILITIES	45,354	47,743	+2,389
FACILITIES MANAGEMENT	91,113	90,196	-917
Management and Administration	46,274	54,568	+8,294
Employee Compensation Payments	6,829	6,998	+169
Program Management	5,970	5,819	-151
GENERAL ADMINISTRATION	59,073	67,385	+8,312
OPERATION OF INDIAN PROGRAMS (Total)	823,902	855,372	+31,470
Irrigation Systems	5,700	11,981	+6,281
Building and Utilities	50,220	40,540	-9,680
Housing	23,000	20,803	-2,197
CONSTRUCTION (Total)	78,920	73,324	-5,596
ROAD CONSTRUCTION (Total)	4,000	-0-	-4,000
EASTERN INDIAN LAND CLAIMS (Total)	900	-0-	-900
TOTAL, FEDERAL APPROPRIATIONS	907,722	928,696	+20,974

INTRODUCTION OF ASSOCIATES

Senator McCLURE. If you would introduce those of your associates who are with you at the head table, we will proceed directly to questions.

Mr. SMITH. Thank you, Mr. Chairman, it's a pleasure to be here to discuss the proposed 1985 budget. To my right is John Fritz, the deputy of operations. He takes care of the day-to-day operation of the Bureau of Indian Affairs. To my left is Michael O'Bannon, who is the Acting Director of Financial Management.

SCHOOL EXPANSIONS

Senator McCLURE. I am going to have to be very brief this afternoon, because an amendment has just been offered on the floor, and they're telling me that I am supposed to come over there. I'll ask a few questions, and submit most of them to you for your response on the record.

Through the Facilities Improvement and Repair Program, a number of schools on the Navajo Reservation have been or are scheduled to be expanded. In response to questions submitted by staff, the Bureau has indicated that expansion of six schools on Navajo, which has been approved for the 1984–85 school year will generate 500 additional children.

Should we interpret this to mean that 500 children currently attending public schools are expected to transfer to BIA schools?

Mr. SMITH. Mr. Chairman, I will respond first, and then Nancy Garrett will respond to this in detail.

Yes; an additional 500 students will be added to the system, but we're talking about the total system, not just the Navajo. This includes all of the Bureau of Indian Affairs' schools.

Senator McCLURE. It's 500, systemwide?

Mr. SMITH. Yes; 500, systemwide. Nancy, do you want to respond?

Ms. GARRETT. Mr. Chairman, the language which appears in our budget book refers to the six Navajo school expansions and a continued increase in students moving from public schools to BIA schools. About 250 of that number will come from Navajo into the six schools which are being expanded. The other 250 will come from around the system and is made up of students who are presently in public schools or students who would have gone to public schools, but rather than going to public schools from kindergarten through sixth grade or——

Senator McCLURE. May I interrupt, because of the urgency of time, I would like to simply refer to question No. 23, and your response to question No. 23, which says: "In addition, expansion of programs in six schools on the Navajo for school year 1984–85 will generate 500 additional children to be funded for the period mid-August through September 30."

Ms. GARRETT. Yes, sir.

Senator McCLURE. Now am I to interpret your remarks now as saying that that answer is inaccurate, as it should reflect not just the Navajo, but systemwide?

Ms. GARRETT. That is correct, sir.

RESPONSIBILITY FOR INDIAN EDUCATION

Senator MCCLURE. All State constitutions provide for a free public school education for children who are residents of that State.

Does the Bureau have a stated policy with respect to the residual Federal responsibility for Indian education?

Mr. SMITH. I would say not a residual responsibility, Mr. Chairman. We have a responsibility to ensure that Indian people get a quality education overall, and we share that responsibility with the States.

SCHOOL ATTENDANCE BOUNDARIES

Senator MCCLURE. Do the proposed BIA school attendence boundaries taken into account the location and availability of space in public school districts?

Mr. SMITH. Dr. Ross, our Acting Director of Education, will respond to that.

Mr. ROSS. The Bureau is establishing boundaries to eliminate competition and conflict within BIA schools. When setting up the school boundaries, the Bureau, in carrying out its consultation efforts with tribes and school boards, determined that the availability of space in public schools districts should not be the primary determining factor in establishing school attendance boundaries for the Bureau schools.

Senator MCCLURE. I'm sure it shouldn't be the determinant, but how can you justify the establishment which ignores public school boundaries?

Mr. ROSS. The Bureau has not ignored public school boundaries. In establishing these boundaries, the Bureau has followed applicable education policies, contained in 25 Code of Federal Regulations, part 32, to permit respect for family religious freedom, education close to home, and choice of school in the processes of tribal consultation.

Senator MCCLURE. The rumor is that nothing will change as the result of the establishment of boundaries and that gerrymandering is the rule rather than the exception.

Can you comment?

Mr. ROSS. Parents will continue to enjoy the option of choosing to send their children to public schools, parochial schools, or Bureau-funded schools, both BIA and contract schools. The establishment of boundaries for Bureau of Indian Affairs schools and for contract schools, if those contract schools elect to have those boundaries imposed, will serve as the basis for identifying eligible students, who will be funded to attend a particular school.

Senator MCCLURE. I heard the words, but I'm not sure I heard an answer.

Mr. ROSS. In essence, what we are funding or will be funding in the ISEP Program is only those students which reside within those geographical boundaries.

Senator McClure. But the question that I'm asking has to do with whether the boundaries are going to be enforced, and whether the boundaries really mean anything.

Mr. Ross. Yes; the boundaries will be enforced by the way that money is allocated to students based on their residency.

Senator McClure. How about the charge that is made that those boundaries have, in effect, been gerrymandered for reasons other than individual choice?

Mr. Ross. I'm not aware that boundaries or proposed boundaries are being gerrymandered. We have acknowledged a plan that was submitted to the Bureau of Indian Affairs, Office of Indian Education from the Navajo Tribe, which is a plan and procedure for consultation with Navajo chapter houses to establish boundaries. And since that is one reservation, I don't know know where the gerrymandering concept comes from.

Senator McClure. With respect to the attendance boundaries for off-reservation boarding schools, what is the largest proposed district?

Mr. Ross. The largest proposed district is the Riverside Elementary Off-Reservation Boarding School District.

Senator McClure. How large is it?

Mr. Ross. It encompasses 23 States; currently there are only 7 States in which children reside that are attending Riverside Elementary.

Senator McClure. It really doesn't mean much, does it, to say that that's a district?

Mr. Ross. Well, in the Bureau of Indian Affairs system, we only have two elementary off-reservation boarding school districts, one in the Midwest at Wahpeton, ND, and the other one, which was Concho, which, in our system, is not a representative elementary program.

MAPS OF BUREAU SCHOOL SYSTEM

Senator McClure. In response to a request by staff to provide maps showing the location of the BIA schools and nearby public schools, the Bureau responded that maps were unavailable in a manageable size for reproduction and that further, they did not have any information on the nearby location of public schools. That would be like the Indian Health Service pretending that they operate the only hospitals in Indian country.

Mr. Ross. We have developed for internal use within the Office of Indian Education Programs, maps of all of the proposed boundaries or boundaries that have been adopted by local school boards. Each of the line officers who are agency superintendents for education and/or area education administrators know the proximity of public schools to the Bureau schools within their respective agencies. We have brought examples of some of those boundary maps for your observation.

Senator McClure. Do they show the location of public schools?

Mr. Ross. Not specifically.

Senator McClure. What do you mean, not specifically?

Mr. Ross. The towns wherein a number of those public schools exist are reflected on the maps.

Senator McClure. And do the towns have public schools? Does every town have a public school?

Mr. Ross. No.

Senator McClure. Can we infer from that, that every town that's noted has a public school?

Mr. Ross. We can go back and identify those for you, if that's your desire.

Senator McClure. Well, it seems to me that if we're to get the information that's required, that we're required to use in relationship to residences and public schools and areas to be served by the Indian schools, isn't that part of the mandate?

Mr. Ross. That may be part of the mandate.

Senator McClure. What do you mean may be?

Mr. Ross. We have to give credence through our established policies, to allowing parental choice. So, even if there were a public school within 25 or 30 miles, we would still have to rely upon parental choice or the social needs of those particular children.

Senator McClure. Are you suggesting to me that parental choice overrides the availability of public schools, even though you don't consider whether there is a public school there? If the parental choice is to send them somewhere else, do you send them somewhere else?

Mr. Ross. We give that consideration in terms of the schools that we have historically assumed and the Congress has funded. Now many of those schools were in close proximity to, and still are, to some public schools, that we have historically funded.

Senator McClure. I understand that, but in order to know whether we should fund them, we have to look at educational opportunity, don't we? Isn't that what we're really dealing with, educational opportunity?

Mr. Ross. Yes.

Senator McClure. There are other factors as well, but the availability of education within the public school is one factor that is essential in the decisionmaking process; is it not?

Mr. Ross. Yes; it is.

Senator McClure. How can you do that, if you don't know where the public schools are?

Mr. Ross. As I indicated, our line officers know where those public schools are within their respective areas of jurisdiction.

Senator McClure. Is it to remain a secret for your line officers to know and you not to know, and we not to know? We asked for that specific information, and you told us it was unavailable. Now you tell us, well, "Our line officers know," which is kind of a way of saying, "Senator, don't mess around with our decisions." At least that's what it sounds like to me.

Can you please provide me with maps that indicate where the BIA schools are and where the public schools are?

Mr. Ross. Yes, sir.

ESTABLISHMENT OF NEW CONTRACT SCHOOLS

Senator McClure. The Bureau intends to provide funding for as many as three new contract schools in fiscal year 1985. According to information supplied by the Bureau, the Muckleshoot School would be in an urban location and draw its attendance from five public schools. The parents are apparently, and understandably, concerned about the high dropout rate in the public schools.

I would submit that Indian parents are not alone in that concern, but that does not mean that Federal dollars should be used every time 50 or 60 Indian children want to get out of the public schools.

We provided $26 million for Johnson-O'Malley and almost $70 million for the Indian Education Act for the parents and the tribes to use as leverage in dealing with the public school districts, so that special requirements of Indian children can be met.

What are the rights of the Federal Government when a tribe approaches the BIA to start a new school?

Mr. Ross. Section 102 of Public Law 93–638 directs the Secretary of the Interior, upon the request of any tribe, to enter into a contract or contracts to provide educational services, unless there is determination made regarding three specific declination issues, and those are: One, the services to be rendered to the Indian beneficiaries of the particular program or function to be contracted will not be satisfactory; two, adequate protection of trust resources is not assured; or three, the proposed project or function to be contracted for cannot be properly completed or maintained by the proposed contract.

Since we must operate under that statute, we have to comply with the directives that were mandated within that statute.

Senator McClure. Is there any distinction between contracting for a new service as opposed to contracting for an existing service?

Mr. Ross. There is no difference between the two.

Senator McClure. No difference between them?

Mr. Ross. No.

Senator McClure. Do I hear you then to say, in effect, from your several answers, that the BIA does not consider the availability of a proper public school facility in determining whether a contract for service would be entered into?

Mr. Ross. Yes.

Senator McClure. Yes, what? [Laughter.]

Mr. Ross. If the tribe, by its own volition, requests to contract, then we are mandated——

Senator McClure. You are mandated, you say?

Mr. Ross. Yes; to comply.

Senator McClure. Mr. Smith, do you agree with that? Is that the way you read it?

Mr. Smith. Mr. Chairman, when I first came in, I had some problems with this whole concept. But as I understand it, you cannot disapprove a tribe's application, when they come in to contract one of our existing schools, or if they want to construct or establish a new school. And under law, we cannot disapprove that application, if they meet the criteria. I believe that is not right, but I think we need to dig into that subject and come up with some other solutions.

Senator McCLURE. Well, I think the Muckleshoot is a good example of an urban school where you feel where they've made the request, you have to establish a new school; is that correct?

Mr. SMITH. Yes.

Senator McCLURE. That is the way you interpret the present law?

Mr. SMITH. That is the way we presently interpret it, Mr. Chairman.

Senator McCLURE. And if I understand you, Mr. Smith, you don't necessarily believe that's a good law?

Mr. SMITH. No; I don't think it's a good law, because I believe there should be some other criteria in establishing a new school.

Now, if it was in the middle of the boondocks someplace where there is no other school and there was a need for a school, and you had to bus students 60 miles, that is a good criteria. But if you are going to establish a new school across the street from another school, then there is a big question mark in my mind whether that's good or bad.

Senator McCLURE. Let me ask a couple of other questions, because I think I'm going to have to go to the floor very soon. We do need to explore this question a little further as to what policy should be.

The proposed Muckleshoot School is to be operated in a tribal office building. Has anyone from the Bureau visited the site to determine the suitability of this building as a school?

Ms. GARRETT. Yes, sir. I visited the school several months ago, and the building which they plan to use for the school does need some renovation. The tribe has applied to the U.S. Department of Education for facilities funding to bring that school into line with what they feel are adequate facilities for a school.

I would like to add, Mr. Chairman, that when Dr. Ross read a few minutes ago from the public law which listed the basis for declination of a request for a contract, one of the items not included in the law is appropriate facilities for the school. We are in the process right now of developing a regulation which would require a request for a new school start to prove that they have sufficient and appropriate facilities before we would approve the application for the new school. We do not have that requirement at this time.

But back to your main question, yes, I visited the facility. It is in quite good condition. It needs to be reconfigured to meet the purposes for a school. And the Muckleshoots have applied to the U.S. Department of Education to accomplish that.

Senator McCLURE. Will it, if they get that funding, meet life and safety codes?

Ms. GARRETT. Yes, sir. I have been assured by the tribe that that is true.

SEQUOYAH BOARDING SCHOOL FACILITIES

Senator McClure. Turn for a moment to the Sequoyah Boarding School. My understanding is that there is a nine-hole golf course on that campus. What is the justification for maintenance of a golf course as part of a boarding school?

Ms. Garrett. Mr. Chairman, as you know the Sequoyah High School is in an isolated area, and the funds which are generated through the application of green fees are used for student activities at that school. The funds which are received through not only the greens fees but the sale of golf items in their clubhouse are really the only source of funds that they have to use for student activities. That fund is regularly audited. In fact, it is audited every year. We do not believe that the students have other opportunities to raise funds for the student activities. We do feel that because of the isolation of that school, that it is not inappropriate for them to have a golf course.

Senator McClure. What are the annual costs of maintaining the golf course?

Ms. Garrett. Last year, Mr. Chairman, the total cost for maintaining the golf course was $17,700 from appropriated funds.

Senator McClure. And the greens fees didn't go back to paying that cost?

Ms. Garrett. No, sir. We realized a profit of $11,300 through the greens fees, the sale of golf balls, and that kind of thing. The profits go directly into the student activity fund and are not used to offset the——

Senator McClure. Sounds like my wife's accounting. [Laughter.]

Ms. Garrett. No, sir. They're not used to offset the cost of maintaining the course.

Senator McClure. You termed "gross receipts" a profit, when the gross receipts were about 60 percent of the expenses; is that right?

Ms. Garrett. Yes, sir.

Senator McClure. Why don't we just give them the $11,000 and save the $6,000?

Ms. Garrett. That's an interesting question, because the analogy we make is that we received about $33,000 in greens fees and from the sale of golf equipment last year, and our expenses related to that $33,000 was $22,000 to collect the fees and sell the equipment. The difference between those two is the $11,000 that we put into the student activity fund. So it takes a lot of money to generate that $11,000 that goes into the student activity fund.

But back to your question——

Senator McClure. I've got an awful lot of public schools in Idaho that don't have public golf courses in the community.

Ms. Garrett. I think the point, Mr. Chairman, is that it is an isolated area, and the students don't have the opportunities to generate through bake sales or other kinds of activities funds for their activities. We feel that it is justified because of the isolation of the school.

ADDITIONAL COMMITTEE QUESTIONS

Senator McClure. I have a number of other questions that I will submit for the record, and I am very apologetic for the necessity of shortening this hearing today, because there are a number of very important questions which I will submit for the record, and I hope that the information will be as responsive as possible, so we won't have to follow up with further questions.

Mr. Smith. We will be responsive, Mr. Chairman.

Senator McClure. Thank you very much. I appreciate that. I know it's not a satisfactory substitute for the hearing process. Absent the scheduling on the floor of matters which simply demand my presence, I wouldn't do this at all.

I think the balance of the questions will be and can be submitted for your response. Other members of the committee may also have some questions to submit for the record.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

Jobs Bill Funding

Question: As part of the Jobs Bill, $114,450,000 was made available for a variety of activities under the Bureau of Indian Affairs. Information recently made available to the Committee, shows that as of September 30, 1983, only about $46 million of this amount had been obligated and expenditures exceeded just over $4 million.

The $30 million provided for housing and the $20 million provided for natural resources were "one-year" funds. According to our calculations, $6,817,302 in housing funds and $172,911 in natural resource funds lapsed at the end of fiscal year 1983. The lapse is not reflected in the program and financing statement on page 230. Was the information supplied to the Committee correct?

Answer: The information submitted to the Congress on March 5, for Operation of Indian Programs/Housing (Jobs Bill funds) had an error in the amount shown for obligations as of September 30, 1983. The correct amount is $29,556,056 which leaves a lapsed balance of $443,944 as part of the $3,631,000 lapse shown on page 230 of the Budget Justifications. Accordingly, we have revised the report to Congress. The data provided for the Natural Resources account were correct.

Question: In providing the Jobs money, we understood that there would probably be a delay in the obligation of the $24,450,000 appropriated for the construction of the Hopi High School. With respect to the remainder of the funds, during last year's hearing I asked: "Do you expect that all of it will be obligated this year?" Mr. Hughes responded: "Yes, sir...The spend-out might be on into...early 1984 depending on the construction season..." At the current rate of expenditures, it appears that spend-out will carry on into fiscal year 1986. What is the current estimate of the spend-out for all Jobs Bill funds other than for Hopi High School?

Answer: At the present time, based on planned obligation schedules, all Jobs Bill funds provided for renovation of Jail Facilities should be expended in FY 1985. The obligation schedules for the Irrigation Jobs Bill construction program anticipate all obligations to be completed in FY 1984. However, the actual expenditure of these funds may extend into FY 1986, if specific projects are not obligated until the first half of FY 1985 due to construction delays because of conflict with the irrigation season; or if contractors file claims which require resolution through the normal contract appeal process.

Mt. Edgecumbe

Question: In the fiscal year 1983 supplemental, $22 million was provided for transfer to the state of Alaska for the renovation of the Mt. Edgecumbe boarding school, or for construction of a new boarding facility. Bill language was also included transferring title to a portion of Japonski Island to the State of Alaska "conditioned upon the execution by the State of Alaska of an agreement to begin operating a Mt. Edgecumbe school facility no later than September 1, 1984." Our understanding is that while the Governor and the State School Board have agreed to operate a secondary boarding program at Mt. Edgecumbe, there is disagreement within the State Legislature. A proposal has been put forth at the state level to study the plan for a year and make a final decision following that year of study. In view of the existing law, what is the Bureau's interpretation of the effect of such a delay by the State?

Answer: Any disagreement that may have existed within the State has been resolved. A final decision has been made by the State to operate the Mt. Edgecumbe facility as a boarding school available to Alaska Native students. While the Bureau agrees with the concept of extending the starting date by one year to allow the State to upgrade the facility, the Solicitor's office has informed us that if the State does not meet the September 1, 1984 deadline to begin operations, no conveyance of the land may be made to it under the existing law. An amendment of PL 98-63 to modify the condition precedent would be required in order for a conveyance of the land in question to be on a different basis from that now set out in the law.

School Expansions

Question: Four more expansions have been approved for the 1985-86 school year. How many more public school children do you anticipate will move to BIA schools?

Answer: About 100 students will be coming from public schools.

New Contract Schools

Question: In deciding whether to enter into a contract for school operations, does the Bureau consider the availability of a proper facility?

Answer: The contract application includes a description of the facility proposed for use. It may be a former mission school, a vacant public school, a tribal building, etc. While the availability of facilities is taken into account, the condition of a facility is not one of the three declination criteria spelled out in the law (PL 93-638). However, if the health or safety of the children were threatened, we could cite declination criterion #1 (unsatisfactory services to beneficiaries) or #3 (proposed project cannot be properly completed or maintained) as reason for declining. In fact, the only PL 93-638 contract ever cancelled for cause was based on these issues of health and safety.

Question: Particularly for new contract schools, where there is no existing BIA school or private school, why doesn't the Bureau require that a permanent structure meeting life and safety codes be available prior to entering a contract for the operation of a school?

Answer: The criteria under PL 93-638 for declining to enter into a contract with a tribe for a new school do not include conditions of facilities. However, the Office of Indian Education Programs is drafting revised regulations which will require the availability of facilities which meet life, safety and health codes.

Summer Programs

Question: Page 33 of the justification indicates that at the discretion of local school boards, formula funds may be used to support summer programs such as remedial instruction, recreational activities, scouting, and so forth. How many schools have some type of summer activity?

Answer: The Office of Indian Education Programs conducted a quick survey of its field offices and found that staffing and budget considerations have significantly curtailed summer programs. The best information we have is that there are not more than 10-15 ISEP funded summer programs. There are, however, numerous remedial programs funded by the U.S. Departmant of Education through its Chapter I and PL 94-142 programs. In order to reply fully to this question, OIEP has requested field staff to provide reports on summer programs in BIA schools for 1983 and those planned for FY 1984. This information follows these questions and answers.

Question: For the record, please indicate the number of schools which have instructional programs in the summer and the number which have recreational summer programs and estimate the cost of both.

Answer: This information follows these questions and answers.

Housing Program

Question: In fiscal year 1984 Congress shifted the Housing Improvement Program from the Indian Services account to the construction account and direction was provided in the conference report with some criteria suggested for changing the current program emphasis. The Bureau, contrary to Congressional direction, has used the "band analysis" as the basis for the housing program for fiscal year 1985 because the Congressional direction came too late to make the necessary changes.

What steps have been taken to implement the changes for fiscal year 1986? Has a work plan been developed? Has funding been provided to implement the work plan?

Answer: On April 3, 1984 the following decision was made with respect to the Housing program and BIA staff was informed that:

1. Due to the late date on which the Congressional directive was received and the complexities involved in changing the FY 1985 Housing distribution at that point, the FY 1985 tentative allocations for the Housing program will continue to follow the funding levels established under the Indian Priority System; and

2. In the instructions sent to the field on planning for FY 1986, Housing funds have been removed from the Area Office and Tribe/Agency FY 1985 base funding for FY 1986 planning.

As part of the second decision, the staff was directed to develop a plan, together with a budget for carrying out the plan, for distribution of FY 1986 Housing funds. Development of such plan and budget should take into consideration the criteria as set out in the Congressional directive and any other considerations that necessarily need to be addressed in arriving at a fair distribution of Housing funds in FY 1986. The Bureau will keep the Committees informed of progress in developing the plan.

Question: What information has the Bureau provided to the tribes with respect to housing's being in or out of the band as part of the fiscal year 1986 projections?

Answer: The FY 1986 budget formulation instructions were distributed to area staff in early February, 1984. Those instructions have been made available to agency and tribal staff. The transmittal memorandum which accompanied the instructions included the following:

> "Housing funds have been removed from the Indian priority system, and from tribe/agency base funding. The FY 1984 Congressional report language which directed this change reads as follows:
>
> > 'Housing Program Guidance. The managers have agreed to the transfer of the housing program from the Operation to the Construction account. The Bureau should adhere to the distribution based on the tribal priority-setting process in fiscal year 1984. Beginning in fiscal year 1985, the Bureau should develop a program which is more cost-effective and better meets identified housing needs. The criteria for such a program might include establishing priorities for tribes which have not received funding in prior fiscal years; where appropriate, a determination of the administrative, management, and accounting capabilities of the tribe to implement a housing program; the percentage of housing units of the tribe in substandard condition; and the housing needs of the tribe as shown in the biennial housing inventory of the Bureau of Indian Affairs.'"
>
> "Because the housing program amount contained in the FY 1985 budget request to Congress was also based on the tribal priority-setting process, the Bureau will negotiate with Congressional staff to allow the Bureau to adhere to the distribution of FY 1985 funds based on the tribal priority-setting process. But as stated above, housing funds have been withdrawn from the FY 1986 base amounts and FY 1986 distribution will be determined after consultation with tribes and with the Congress on the proposed method for distribution."

The formulation instructions also included additional information on Housing as follows:

> "Congressional Record Senate
>
> 'Bureau of Indian Affairs: Housing program. The managers agree that no relocation of the management of the housing program was envisioned in moving the funding from the Operations to the Construction account, and the program should remain under the direction of the BIA Central Office, and that it shall be removed from the band analysis beginning in fiscal year 1985.'"

These directives were too late to be incorporated in their entirety in FY 1985 but they will apply to FY 1986. The funding base (FY 1985 amount) for Housing has been removed from the total base which tribes will be using to determine their FY 1986 tribal priorities. The tribes will continue to be able to distribute their remaining base funding, less Housing, as they see fit.

The funds formerly part of the tribes' priority-setting base will be used to establish a separate Housing base which will no longer be subject to direct tribal priorities. This Housing base and the method for its distribution will be the subject of further consultation with tribes and Congressional staff so as to arrive at a fair and effective course of action for FY 1986.

Question: Mr. Krenzke admitted last year that the current method of allocating housing funds bears little correlation to the actual need for housing. What steps must the Bureau take to better determine the relative need for housing construction and repairs and then to redesign the program so as to meet identified needs?

Answer: The Bureau plans to consider the following steps: (1) obtain current tribal inventory of housing needs of families for both new construction and repairs; (2) obtain current assessments of non-Bureau contributions to housing stocks such as the availability of HUD, FmHA programs, etc.; and (3) review criteria such as the ability to do the job, some economy of scale and prior years' funding. These statistics will be analyzed and used to set priorities in order to allocate housing funds so that they correlate to the need.

Question: For the record, please provide the number of housing programs under contract with the BIA, the amount of the contracts, the number of new units built under each contract and the average cost of the new units, the number of renovations by each contractor, the average cost of the renovations, and the number of tribal employees supported by these contracts for the past two fiscal years for which data is available.

Answer: This information follows the questions and answers.

Question: For the record, please supply the work plans submitted by the tribes for the use of housing funds for fiscal year 1985.

Answer: Specific fiscal year 1985 work plans were not prepared by the tribes as part of the tribal priority-setting process. Agency staff provided the tribes with information on costs and numbers of proposed repairs or new home acquisitions. The tribes then determined with Agency staff four alternative funding levels for Housing and the expected units of output for each level. The tribes then established a relative priority for the program in relation to all other programs included in the Indian Priority System. The application of these priorities to a target allowance for all Tribe/Agency programs established the actual funding requested for Housing at each field location.

The FY 1985 tentative allocations for the Housing program based upon the tribes' priorities have been provided to each location (in February, 1984). For those programs to be operated under contract, negotiations as to the specific work to be performed will be initiated by July, 1984. These work plans are negotiated "subject to the availability of appropriated funds" so that the possible effects of program changes due to Congressional action can be legally included in the tribal contracts upon receipt of actual appropriations. Programs operated by the Bureau are also now being planned with specific financial programs made based upon the tentative allocations provided.

Programs on the Indian Priority System

Question: 35 Bureau programs are subject to the Indian Priority System, or "banded analysis." For the record, please provide a justification for the inclusion of each of these programs within the Tribal Priority System. At this time, I would like to focus on just a couple of specifics.

"Other Rights Protection" is subject to tribal priorities. The justification states that these funds are to provide the "capability for the United States to successfully defend the Government's position in litigation involving Indian rights issues." How can you justify submitting individual tribal preferences for the decisions of those preparing the Government's case in determining funding requirements?

Answer: All of the funds ($11,120,000) requested under "Other Rights Protection" which provide the capability mentioned are not subject to direct tribal priorities. These programs, such as litigation support, attorneys fees, hunting and fishing rights, etc., are "nonbanded". Funding levels are determined at the national level using such tribal input as might be obtained through requests for special funding, information from regional meetings held by the Assistant Secretary, or the current case needs requiring support. The tribes have continued to recognize the need to reallocate a sizable portion of their "banded" resources to the protection of their rights. The Rights Protection funds included at the Tribe/Agency level ($4,701,000) or Area level ($655,000) provide for on-site staff and specific project technical assistance contracts which deal with local ongoing rights protection issues of special interest to the tribes involved.

All of the programs included on the Indian Priority System are operated at the local reservation level. Since these programs involve direct services to tribes or individual Indians, under the current policy of self-determination, the Bureau believes that tribes should be able to express their priorities on funding levels during the earliest stages of the budget development process. This policy makes the basic assumption that all local service programs should be on the Indian Priority System. The continuation of each program on the System has been evaluated annually over the years that the policy has been in force; and at times several programs have been removed. These actions were taken for various reasons, e.g., School Operations (PL 95-561 directed the use of a formula to determine proper distribution), Facilities O&M (concern by Congress about the maintenance levels), Indian Action Teams (termination of the program by Congressional action), and Law Enforcement (removed two years to expand the program, adjust the distribution and then returned to System).

Question: In general, how can the Bureau justify placing any program which has a direct role in carrying out trust responsibilities under the Indian priority system? We would include in this category all of the land and resource management activities and all trust and real estate activities.

Answer: While the "band" or Indian Priority System relies upon tribal priorities to set funding levels for some "trust" or "trust related" programs, the instructions to the field offices deal explicitly with funding for these programs. The Superintendent is charged with the overall responsibility to manage the priority-setting process since it is part of the Federal budget process. Part of that responsibility is to assure that essential trust and other Federal responsibilities (such as commitment and accountability for Federal funds) receive funding levels which are adequate to permit proper performance of the programs involved.

If the tribe(s) set funding priorities which jeopardize these programs, the Superintendent is instructed to notify the tribe(s) and negotiate changes which correct the problem. In the event the tribe(s) decline to modify their priorities, the Superintendent is expected to submit an alternative budget and priority list. This alternative budget is used by the Bureau in its subsequent priority-setting procedures unless modified by subsequent appeal action.

If the tribe(s) choose to do so, they may appeal the Superintendent's action to the Area Director. The Area Director reviews the two proposals and makes a formal decision as to which version is acceptable. Of course, the Area Director may negotiate a second alternative budget, if possible. Should the Area uphold a version which remains unacceptable to the tribe(s), they may appeal the Area Director's decision to the Deputy Assistant Secretary (Operations) who renders a final decision for the Department. In all of these proceedings, when trust or trust related programs are involved, careful consideration is given to the needs of the Trustee to ensure adequate funding levels for those programs.

Natural Resources Programs

Question: Was there a court decision last year which found that the BIA could be held in breach of its trust responsibility if adequate management and protection were not provided for lands in trust status? Has the Bureau taken any action to address the ramification of this ruling?

Answer: The Supreme Court ruled in the "Mitchell II" case that the Bureau of Indian Affairs could be held liable for any damages sustained by individual trust land owners if the Bureau did not fulfill its trust responsibility. The Bureau contends that present management and protection of trust lands is adequate, being conducted properly, and that we are not failing in our trust responsibility.

Forestry Program

Question: The justification states that only 32 of 104 forested trust reservations or properties have adequate forest management plans. The budget request for inventory and plans is, however, reduced by $150,000 from the fiscal year 1985 base level of $3,614,000. At the '85 base level, how many years would be required to complete management plans for all 104 parcels?

Answer: The FY 1985 budget of $3,614,000 for inventory and plans is principally targeted for personal services to perform field forest management inventories, analysis of data, and the development and writing of management plans. About $460,000 of this amount is planned to do project work that is prerequisite to development of the management planning package. The Bureau will have completed management plans for all of the 23 major forested reservations within four years. The Bureau's recently completed Report on Status of Inventories and Needs Assessment, identifies a total need of $14,795,100 over the next 11 years (1984-1994) for project work, or $1,345,000 annually during that period. With the capability to fund needed project work, each reservation or trust property would have a current plan by the close of 1994.

Question: How often does the BIA update forest mangement plans? How often should they be updated?

Answer: Some plans call for 5-year revision, whereas others call for 15-year revision. On the average, the plans should be updated every 10 years.

Question: The timber harvest is estimated to increase by 21 percent between fiscal years 1984 and 1985. Reforestation and stand improvement work remain at the same level of 72,000 acres. Won't this add to the backlog of forest development work that we have been trying to eliminate since 1977?

Answer: Timber sales since 1977 have been designed so as not to result in an increase in the reforestation backlog. However, timber stand improvement work, principally precommercial thinning, has been stagnated due to fiscal limitations resulting from the poor timber market. The overall result may be the development of another backlog for precommercial thinning, if the market does not improve.

Question: What additional resources would be required to at least reforest the area harvested in 1984?

Answer: None. Current timber sale areas, harvested in 1984, already have provisions for reforestation, through timber contract provisions or use of funds from administrative management deductions. Therefore, the area harvested in FY 1984 will not add to the backlog.

Question: Why does the BIA Office of Trust Responsibilities continue to attempt major reductions in the Quinault Nation forestry program? In FY 1984 the BIA attempted to reduce the Quinault special forestry appropriation by $100,000 which was restored by the Congress. It has come to the attention of the Committee that the BIA has officially notified the Quinault Nation that it plans to reduce their 638 contract for forestry by $84,700 in FY 1984 with further reductions planned in FY 1985. Why, given the devastated forest conditions on the Quninault reservation, does the BIA continue to threaten reductions in the Quinault forestry program?

Answer: There is no reduction planned in the base budgets for Quinault. The so-called "reduction" of $84,700 is a result of the Agency having provided additional funds to Quinault in FY 1983 from vacant position lapse funds at the Olympic Peninsula Agency. Those positions are being filled in FY 1984, so that the lapse funds are no longer available to give to the Quinaults under their contract.

Fire Suppression

Question: For the record, provide a comparison of actual obligations to appropriation for fire suppression for each of the fiscal years 1974 through 1983.

Answer: The information is as follows:

FY	Obligations	Initial Appropriation	Supplemental Appropriation	Amount Absorbed Adminis.	Covered by Subsequent Supplemental
1974	$7,108,924	$800,000	$3,000,000	$3,308,924	--
1975	5,985,045	800,000	5,000,000	185,045	—
1976	5,868,098	800,000	5,000,000	68,098	--
1977	7,719,922	800,000	6,000,000	919,922	—
1978	6,861,015	800,000	7,000,000	-938,985 *	--
1979	7,868,935	800,000	7,000,000	68,935	—
1980	11,211,931	800,000	7,000,000	3,411,931	--
1981	13,663,145	800,000	7,000,000	5,863,145	—
1982	13,890,219 **	800,000	7,000,000	90,219	$6,000,000
1983	13,622,731 ***	600,000	14,000,000	22,731	5,000,000

*Amount was surplus to needs, remained unobligated, and returned to Treasury.

**Total obligations in FY 1982 were $13,890,219. As permitted by the Department's Administrative Provisions, Section 102, $6,000,000 in obligations incurred in FY 1982 were covered by FY 1983 appropriations.

***Total new obligations in FY 1983 were $13,622,731; $6,000,000 of FY 1982 obligations were covered by the FY 1983 supplemental and $5,000,000 in FY 1983 obligations will be covered by FY 1984 supplemental appropriations.

Irrigation Operation and Maintenance

Question: I am pleased to note that the Bureau has moved to implement the Congressional directive to increase assessment rates for Category I irrigation projects to recover the full operation and maintenance costs. With respect to the Wind River irrigation project, the Bureau supplied information showing that while the rates increased almost 30 percent, the new rates compare very favorably to two nearby non-BIA irrigation projects. More that half of the lands served by the Wind River project are either owned or leased by non-Indians. Are other Bureau irrigation projects similarly divided between Indian and non-Indian farmed land?

Answer: On most Indian reservations, especially those located in the Northern Plains, the "surplus" unallotted lands were opened to entry and settlement by non-Indians. Some of the unallotted lands were sold and some were homesteaded. Through issuance of fee patents to Indian owners and supervised sales, additional Indian reservation lands left trust status over the years. The percentages of land within Indian irrigation projects owned and operated by non-Indians varies widely from a high of approximately 90 percent at Flathead (Montana) to none at many locations in the southwest.

Question: A serious problem with respect to the irrigation projects is a combination of the inability or unwillingness of individual Indians and tribes to pay assessed fees. With the exception of those individuals or tribes which have been relieved from this obligation by action of the courts or the Congress, how does the Bureau determine if an individual has the ability to pay his assessments? Is there a written Bureau policy? How often are individual cases reviewed to determine if circumstances have changed?

Answer: The Superintendent certifies Indian owners who are financially unable to pay their irrigation operation and maintenance assessments. Because there are no formal criteria or written guidelines for the Superintendent's determination, we included that issue as a major point for consideration and recommendations by the Task Force making the comprehensive evaluation of the irrigation O & M program. An annual review of individual cases is necessary to make the required certification each year.

Question: Is it true that some tribes refuse to pay assessments charged to tribally owned lands under irrigation?

Answer: Irrigation water is not delivered to land with unpaid assessments. Tribes are not likely to pay irrigation O & M assessments where the lands are not tribally operated or under lease, and thus have no need for water. Where lands are leased for irrigated agriculture, the lessee, Indian or non-Indian, is required to pay the assessments. In summary, if the assessments have been paid, tribal lands are irrigated.

Question: Before the advent of self-determination, did the Bureau have a policy of withholding federal funds up to the amounts due in unpaid tribal assessment?

Answer: The Bureau of Indian Affairs has never had a policy to allow withholding of federal or tribal funds to cover tribal irrigation operation and maintenance assessments.

Question: Have you any leverage to require the tribes to pay assessments?

Answer: The only leverage available to require any water user to pay is to withhold irrigation water deliveries to parcels with assessments not paid in advance.

Question: For the record, provide the amount of unpaid tribal assessments for the past five years, including any amounts which have been written off.

Answer: There have been no tribal irrigation O & M charges written off within the past five years. We have polled our field offices to determine if there are any unpaid tribal assessments. The information follows the questions and answers.

Question: For the record, provide an explanation of the differences in the 1984 columns in the '84 and '85 justifications with respect to the allocation of O & M funds by the various categories of irrigation projects.

Answer: The best way to explain and display the correct information is to provide a replacement page BIA-185 for the FY 1985 Budget Justifications. Such a replacement is attached for the record. To explain, the FY 1984 irrigation O&M funding requests by category that were displayed in the FY 1984 Justifications (with the exception of NIIP) were the result of pro rata reductions applied to the original field submissions (all as described on page BIA-180 in the 1984 Justifications).

The estimated breakdown by category for FY 1984 as shown in the FY 1985 Justifications was erroneously computed. The corrected information is shown on the replacement page, together with corrected narrative discussion on the reasons for the changes in each category.

Question: Congress provided the Bureau authority to invest income from irrigation and power projects. What is the current estimate of investment income for fiscal years 1984 and 1985?

Answer: As of March 31, 1984, the accrued interest earnings were as follows: Irrigation $382,206; Power $233,067. The above interest earnings were distributed to the respective participating projects on May 31, 1984. Henceforth, the interest earnings will be distributed on April 1 and October 1 of each year. It is extremely difficult at this time to estimate future earnings. For one reason, we have not completed a cycle, to see the effects over one full year's operation. Secondly, the investment capital is highly dynamic in that we calculate investment funds from the cash-on-hand for each project at the end of each month. This end-of-the-month figure is subject to wide fluctuations due to the kind of work that needs to be done on the project and the water user fees collected during a 30-day period. We will carefully monitor the investment program and maintain records of investment income by project.

Question: Please provide the total estimated O & M expenditures for the irrigation projects including the requested appropriations, collections, and interest earnings on collections.

Answer: The information, except for interest earnings, is summarized here by Area for FY 1985 as follows (dollars in thousand to tenths):

Fiscal Year 1985	Est. Total Cost O&M	Est. Collections	Est. Approp. Funds Needed
Albuquerque Area	$1,090.7	$ 40.0	$1,050.7
Billings Area	1,117.2	892.0	225.2
Phoenix Area			
Irrigation	12,400.9	6,744.5	5,656.4
Power	14,700.0	14,700.0	-0-
Portland Area			
Irrigation	7,051.0	5,884.0	1,167.0
Power	7,100.0	7,100.0	-0-
Sacramento Area	270.0	-0-	272.0
Total	$43,729.8	$35,360.5	$8,371.3

The collections shown are the latest data available from field submissions; totals differ slightly from those shown in the Miscellaneous Appropriations section of the budget justifications. All of the requested information has been provided for the record, by irrigation project, as displayed on the tables attached at the end of these questions.

Law Enforcement

Question: During our hearings with the Indian Health Service, concern was expressed over the lack of police protection on the reservations. The law enforcement program is also subject to the Indian Priority System. Are there any generally accepted standards using area to be covered, population density, crime index or other factors which would enable the Bureau to develop a more responsible approach to the law enforcement problem on Indian reservations?

Answer: In 1974-1975, the Bureau developed a formula for establishing both exemplary and minimum law enforcement program levels for Indian reservations. The basic law enforcement unit was designed to meet standards with regard to population, area covered and crime rates. Using this basic unit as a "building block", additional funds for staff and equipment which met the standards were added to cover the reservations. These standards continue in force today and are available to tribes to consider when setting priorities for law enforcement programs. Details of the exemplary and minimum Law Enforcement programs are:

1. Exemplary Program. The staffing pattern for the basic unit for law enforcement is designed to provide 24-hour-a-day, seven-day-a-week coverage for the assigned territory and will consist of the personnel listed below:

1 Agency Special Officer (GS-12 or equivalent)
1 Criminal Investigator (GS-11 or equivalent)
1 Juvenile Officer (GS-7 or equivalent)
1 Captain of Police (GS-9 or equivalent)
5 Patrol Officers (GS-6 or equivalent)
2 Clerks (GS-5 or equivalent)

The following incremental factors are used to determine needs over and above the basic unit:

Acreage--Basic unit covers first 250,000 acres.
Add one Patrol Officer for each 200,000 additional acres.

Population--Basic unit covers first 3,000 persons.
Add one Patrol Officer for each additional 1,000 persons.

Multiple reservations--Basic unit covers at least one reservation. Add one to three Patrol Officers for each additional reservation depending on needs and supply justification.

Special situations--Examples are large non-Indian population and/or incorporated cities within reservations, tourist attraction or international borders. Add one to three Patrol Officers per Agency, depending on need and supply justification.

Major Crimes--Basic unit 60 cases per year.
Add one Criminal Investigator for each additional 60 cases.

Support and Administration--For each five additional Patrol Officers convert one to Sergeant rank and add one Clerk. For each four conversions to Sergeant, convert one to lieutenant.

2. Minimum Adequate Program. The basic unit will consist of the following personnel:

1 Agency Special Officer (GS-12 or equivalent)
1 Captain of Police (GS-7 or equivalent)
4 Patrol Officers (GS-5 or equivalent)
2 Clerks (GS-4 or equivalent)

The minimum program retains most of the incremental calculations of the exemplary program with the following exceptions:

a. Clerk is added for each eight additional Patrol Officers rather than five.
b. There is no increment for Sergeants and Lieutenants.

Both programs are calculated in terms of three options:

(1) High option--total Federal funding with no funding provided by tribes.
(2) Medium option--Continued tribal funding at half the current level and increased Federal funding up to the program level.
(3) Low option--Continued tribal funding at current level and increased Federal funding up to the program level.

Question: Several years ago, the BIA built a juvenile detention center at Wolf Point, Montana. According to the Ft. Peck tribe, funds for staffing and operation of the center have never been budgeted. Approximately $50,000 of other agency funds are being used this year to provide for minimal staffing. Are funds contained in the '85 budget for adequate staff and support costs for this facility?

Answer: In FY 1983, the Bureau made available $75,000 from the special Law Enforcement funds for staffing and operational cost of the detention center. This amount was then added to the Ft. Peck's base funding level in 1984 for the continued operations of the juvenile detention center. If the Tribe wishes to increase the funding for this program, they have the option of doing so in the tribal priority setting process at the beginning of each budget cycle.

Question: Page 94 of the justification contains crime index figures for Indian reservations. How do these numbers compare with the national average? How do they compare with similar non-Indian areas of the country?

Answer: Indian Country violent crime categories of the index total showed an overall 6.9 percent increase in 1982 compared to the national index total decrease of 3 percent while non-violent crime registered an 11.7 percent decline from 1981 compared to a 3 percent decrease at the national level. In comparison to the 1982 Rural Crime Index, total violent crime in Indian Country was 188 percent greater while non-violent crime was 105 percent greater. Two-year comparisons (1982 versus 1981) for individual violent crimes in Indian Country showed a 49.1 percent increase in aggravated assault (resulting in serious bodily injury); a 5.6 percent increase in assault with a deadly weapon; as well as a 6.3 percent increase in assault with intent to kill.

Question: Who determines the standards for law enforcement personnel funded through tribal contracts?

Answer: The Bureau of Indian Affairs sets the standards for all Bureau/tribal police officers through guidelines published in 68 BIAM and 25 CFR. It is a mandatory requirement that Bureau/tribal police officers attend the U.S. Indian Police Academy, or an approved state academy within the first year of their employment.

Question: An increase of $465,000 is requested for tribe/agency operations. For the record, provide a detailed breakdown by tribe of the uses to which these funds will be put.

Answer: A detailed list of this funding by tribe/agency location follows the questions and answers. The amounts shown on the listing do not include adjustments for Federal and 638 pay cost and other adjustments which are being made by the Area Offices as part of the development of the FY 1985 base for FY 1986 planning which is currently in progress. The program-wide amounts involved in the adjustments are $+525,000 for Federal pay, $+287,000 for 638 pay, and $-90,000 for other adjustments (postage base transfer). All of these adjustments are "base" adjustments and do not affect the programmatic increase or decrease as established by the tribal priorities.

The net increase resulting from the aggregated tribal priorities will be used primarily under contracts with tribes to purchase equipment, vehicles, increase tribal officer salaries, etc. The information currently available to the central office does not provide the detail required to give uses by each tribe/agency location.

Fisheries Programs

Question: Some tribes contend that in the transfer of hatcheries from the Fish and Wildlife Service to the Bureau, the Fish and Wildlife service understated the actual costs of operation and maintenance and that other factors such as technical assistance and cyclical maintenance have not been built into the Bureau's budget. Is this assessment accurate?

Answer: The funds for technical assistance and cyclic maintenance that were in the FWS budget were not assigned to specific projects, since not all need that type maintanance or use that assistance each year. Therefore, none of those funds were included in the amount transferred to the BIA for regular operation and maintenance. However, in the memorandum of agreement between the BIA and FWS for operation of the Quinault hatchery for FY 1984, the FWS has agreed to provide an additional $38,000 needed for operational costs.

Question: Has the Bureau taken any steps to address the Congressional concern expressed in the fiscal year 1984 conference report regarding the initiation of a renovation and repair program for hatcheries?

Answer: The Bureau is viewing this as an FY 1986 issue, and will be considering the needs and possibilities for funding in the 1986 planning cycle.

Question: Funds were provided several years ago for the construction of a hatchery at Tamgas Creek on the Metlakatla Indian reservation. This construction has never been completed. Does the Bureau have any plans to request funds to finish this project? For the record, please provide the estimated cost to complete the Tamgas Creek hatchery.

Answer: The Bureau is now in Phase III of the construction of that hatchery. It is expected that construction will be completed during this fiscal year. This will complete all three phases planned for when the project was initiated, consequently, no more funds are required.

Question: Of the seven fish hatcheries identified in both the fiscal year 1983 justification and the fiscal year 1985 justification, only the Tamgas hatchery has received no increase in funds over that period. According to the information we have, the tribe requested an increase from $200,000 to $253,000 as part of the Indian Priority System in fiscal year 1983. Why has this increase never been granted?

Answer: The tribe's request for an additional $53,000 was not part of the tribal priority process, but was part of the "Field Operations" or "nonbanded" part of the budget. Within the total amount available to the Bureau in the Wildlife and Parks account, we were not able to provide the $53,000 requested by the tribe. The reason that no increase was provided the Tamgas hatchery in FY 1984 was because they were not mentioned in either the House or Senate reports. The Conference directed that the $2.5 million add-on in that year was to be distributed among high priority needs mentioned in those two reports.

Prairie Dog Infestation at Pine Ridge

Question: We understand that the prairie dog infestation at Pine Ridge has reached a critical level. What steps is the Bureau taking to address this problem?

Answer: On request of the Oglala Sioux Tribe, the Bureau surveyed the prairie dog control infestation problem on the Pine Ridge Indian Reservation in the summer of 1983. Accordingly, a Bureauwide Task Force was formed to address this problem and recommend an appropriate long-term solution. In January of this year, the task force released a report recommending a five-year control plan. It calls for 100% coverage of all infested lands with zinc phosphide (an effective rodenticide) for two consecutive years, consolidation of controlled areas and a range restoration in the third year, and two additional years of mop-up and range restoration.

Question: At the current level of support, how long will it take to control this problem? From a resource management perspective, should additional funds be made available, and, if so, at what level?

Answer: The Five-Year Plan, recommends a first year amount of $1,546,400, a second year amount of $1,728,000 and an additional amount of $1,990,000 needed for the remaining three years. The Bureau is presently reviewing funding options for this program.

There are two other prairie dog control infestation problems, one on the Fort Belknap Reservation and the other on the Northern Cheyenne Indian Reservation. It is planned that the Bureau will attempt similar control efforts after a thorough survey of the problem.

Range Management

Question: The fiscal year 1985 request would reduce the Bureau's effort with respect to range inventories, range unit compliance inspections and compliance actions. Between fiscal years 1981 and 1985 compliance inspections will have decreased from 9,944 to 4,900. What level of inspections is required to ensure adequate resource protection?

Answer: Prior to fiscal year 1981, about 4,800 range unit compliance inspections were completed each year. In the year 1981, a concerted effort was made and a majority of all range units on Indian lands in the northern United States were inspected in that one year, utilizing lease compliance funds, accounting for the higher number. The minimum number of annual inspections required to insure compliance is approximately 5,000. The number that should be made in order to ensure adequate range resource protection is 7,500 annually.

Question: How many acres of trust land have not yet been subject to soil inventories?

Answer: The Bureau presently has fifteen ongoing soil inventories. When they are completed in 1985, approximately 38 percent of all trust agriculture land will have current soil inventories. Approximately 60 percent of trust agricultural land, or 27 million acres, does not have current soil inventory. Of this acreage, approximately 20 million acres have never been subjected to any form of soil inventory with the remaining 7 million acres covered by outdated inventories.

Indian Integrated Resources Information Program

Question: The Office of Trust Responsibilities has initiated 12 pilot projects using a geographic information system to support processing of data related to land management. There is no specific mention of this activity in the justification. What is the current level of effort and what is projected for fiscal year 1985?

Answer: The BIA has a responsibility for natural resource planning and management on approximately 52 million acres of land. A variety of socio-economic and natural resources data is required on a multi-resource basis to accomplish these tasks. Much of the information is available in traditional forms including paper maps and tabular summaries. Additional information can be rapidly acquired, where necessary, using automated mapping procedures with remote sensing. These multiple information sources contain inherent variations in data types, map scales, map projections, and levels of detail. Therefore, difficulty is encountered in deriving and presenting decision-making information where multiple themes must be consulted and analyzed.

The Indian Integrated Resources Information Program (IIRIP) has been initiated, within the Office of Trust Responsibilities programs, to utilize a variety of technologies, such as geographic information system analyses and remote sensing techniques to assist in natural resource data acquisition, inventory and analyses. These capabilities provide an advanced systems approach to resource inventory, planning and management. IIRIP utilizes advanced technologies developed by two Department of the Interior Bureaus (USFWS & USGS). BIA works closely with the Western Energy and Land Use Team and EROS Data Center through interagency agreements. Because the Bureau utilizes these sister Interior data centers, costs are reduced. The current level of effort utilizing GIS applications is estimated at $200,000 for FY 1984. Funds for FY 1985, GIS activities are presently estimated at that same level. Funds will be made available from individual program users.

Question: At what point will the pilot projects be evaluated?

Answer: The pilot projects that have been completed were evaluated on the basis of accuracy and responsiveness to program needs. The technology is not new. The literature supports that the use of automated geographic information systems with remote sensing is a cost effective and efficient means for natural resources planning and management. Benefits of GIS to date include:

- Complete, permanent information bases for each reservation.
- Easy updating of resource inventories on a regular basis.
- Basis for ready documentation of natural resources improvements and management response.
- Quantification of natural resource assessments for an entire resource, with minimum field efforts in a short time.
- Routine access of thematic maps and tabular summaries.
- Use of remote sensing would lead to easily accomplished monitoring of the changes in land use and condition, and reduce the amount of field time required to handle resource assessment needs.
- IIRIP could save up to 50% of time in field work in planning and pre-inventory activities for soil inventories on dryland farming, range and forest inventories. This procedure also increases map accuracy and reliability.

Navajo-Hopi Attorney Fees

Question: $1 million is requested to payment to the Navajo and Hopi Tribes for attorney's fees in connection with the Navajo and Hopi Indian Relocation Act. The justification cites two laws as precedence for this request. Under Public law 93-531, the Secretary of the Interior is authorized to pay any or all appropriate legal fees for suits relating to the determination of tribal rights and interests in lands arising from the 1934 dispute. Public Law 96-305 authorizes specific amounts annually, subject to appropriations for legal fees in connection with the Relocation Act. Since passage of Public Law 93-531, what is the total amount the Bureau has made available to the two tribes under these two statutes?

Answer: The total amount made available to the tribes (1975 through 1983) is $3,509,000. A total of $780,000 relates to P.L. 96-305, and $2,729,000 to P.L. 93-531.

Question: The House Interior and Insular Affairs Committee in their report to the Budget Committee is recommending placing a cap $700,000 on the total amount available to the two tribes in any one year. Would the Bureau oppose such a provision?

Answer: A cap on expenditures may well be desirable; however, staff advice indicates that $900,000 may be more appropriate. High costs are involved with an extensive research and discovery process - requiring experts in economics and archaeology for analysis and interviews - to review land uses (whether they were for grazing, farming, homes, etc., or for religious purposes, as Hopis have indicated). The Hopis must prove that they used the land exclusively, or with the Navajos.

Also, the 9th Circuit has allowed the Paiutes to enter the case (1934 area). We may have to go through the same process with them, with additional costs, possibly going to trial in 1985. Even without the Paiutes' effect on the situation, the tribe may be in trial stage for several months, with numerous experts and Hopis having to testify, involving travel from various parts of the country. The Hopis expect to have two lawyers on full-time for 4-5 months, plus one additional for about 3 months. The post trial period will involve preparation of findings and conclusions, review of transcripts and exhibits, preparation of motions and related proceedings.

The Hopi side indicates that the proceedings for P.L. 96-305 involve several lawsuits. One lawsuit involves a significant amount due the Hopis because of the unequal value of the two partitioned parcels in the 1882 Executive Order area. Numerous problems with grazing rights, relocation rights, and tribal jurisdiction are also being litigated.

Question: The Secretary is not required to seek appropriations for these payments. Has the Bureau reviewed any of the suits brought by either tribe to determine if sufficient merit exists to justify the payment of these extraordinary fees year after year?

Answer: The Bureau is not a party to the suits; and has not critically examined their merit with regard to payment of these fees. By reason of the two statutes, the Congress apparently intended that the tribes should have their day in court and be properly represented. We have been responding to the direction in the statutes, which of course can be changed if the Congress so desires.

Question: Does the Bureau simply make the funds available to the tribes for use at their discretion or are legal fees submitted to the Bureau for your review?

Answer: The funds are provided, as directed by the statutes, to the tribes under P.L. 93-638 contracts. Invoices are reviewed before payments are made. However, the situation is difficult when there are laws that direct that funds be made available and provides funding levels that are indefinite.

Facilities Management

Question: Increased O&M funds are requested for three schools in Maine: Indian Township, Pleasant Point and Indian Island. The latter school is being built by the Department of Education and we understand that it will not even go to bid until September. The two former schools were originally scheduled for the Bureau's 1984 facility improvement and repair program, but the increased cost of schools of higher priority has dropped these schools from this year's list. Is there any reason why this request cannot be reduced by $234,000?

Answer: None of the three schools will be ready for occupancy in FY 1985 and thus the estimated amount for additional O & M may be dropped from the request. However, the FY 1985 budget amendment under consideration for ADP Services will propose to utilize this funding.

Intermountain Closure Costs

Question: Intermountain was originally planned to be closed at the end of the last school year. By action of Congress, it is now to close this June.

Last year's justification identified $1,077,000 for closure costs. This year's figure is $1,709,000. What is the justification for a $700,000 increase in the closure costs?

Answer: The information on Intermountain provided on page 208 of the justifications is in error. The FY 1984 Estimate should be $1,709,000 instead of $1,577,000; the FY 1985 Needs amount should be $1,077,000 instead of $1,709,000. The revised FY 1984 Estimate includes $1,577,000 for regular operating costs through June, 1984; security costs until September 30; and $132,000 for anticipated severance pay and lump sum leave required between June, 1984 and September 30, 1984. The revised FY 1985 Need amount is for the remaining severance pay and security costs. The security costs will continue until the property disposal is accomplished.

General Administration

Question: On page 214, an increase is proposed of $1,834,000 for General Administration to correct the application of prior year general overhead reductions. This increase is supposed to be offset by decreases in a number of other programs. We are unable to track all of the numbers. Please indicate, for the record, on which pages of the justification the components of the reduction are displayed.

Answer: The adjustment of +$1,834,000 for General Administration as displayed in the "Difference" column of the table on p. 214 does not reflect adjustments made for pay cost increases and grade bulge decreases. The following table shows how the $1,834,000 decrease in other programs can be reconciled to the area office ± changes shown in various parts of the Budget Justifications. These ± changes have the adjustment built in the amounts shown as "Area Office Operations" on the Justification page numbers as indicated.

(dollars in thousands)

Activity	Area Office Realignment	1984 Pay Cost	Grade Bulge	net ± change from 1984	
Continuing Education	-44	+7	---	-37	(p.56)
Tribal Gov't Services	-308	+90	-10	-228	(p.74)
Social Services	-151	+33	-17	-135	(p.83)
Law Enforcement	-13	+21	-12	-4	(p.91)
Self-Determ. Services	-27	+47	-6	+14	(p.96)
Subtotal Indian Services	-499	+191	-45	-353	
Employment Assistance	-169	+25	-10	-154	(p.121)
Credit & Financing	+58	+29	-10	+77	(p.131)
Road Maintenance	-56	+7	-3	-52	(p.137)
Subtotal Ec.Dev./Employ.	-167	+61	-23	-129	
Forestry/Ag. (Nat. Res. Dev.)	+80	+118	-61	+137	(p.141)
Indian Rts. Prot.	-288	+41	-7	-254	(p.187)
Real Est. Serv./Fin.Trust	-297	+118	-42	-221	(p.198)
Subtotal Trust Respons.	-585	+159	-49	-475	
Facilities Management	-579	+108	-20	-491	(p.205)
Housing (Construction)	-40	+21	---	-19	(p.252)
Totals	-1,834	+665	-198	-1,367	

Question: Please provide a detailed justification of the proposed uses to which the increase of $1,834,000 will be put.

Answer: The amount is not an "increase" since it involves readjustments among area office activities of the original distribution of the FY 1984 general overhead reduction. The approved organizational strategies of each area office has resulted in a continuation of funding for Administrative Services program functions. These functions are among the primary purposes of the area office direct operation activities, i.e., the provision of administrative support to field locations such as agencies and schools in the areas of personnel management, procurement, property management, budget, finance, etc.

Indian Child Welfare Act Grants

Question: In response to questions submitted by staff, the Bureau stated that: "From inception of the (Indian Child Welfare Act) grant program in 1980, all awards have been on a competitive basis..." The Committee has been informed that the fiscal year 1984 grants were made to exactly the same tribes as received grants in fiscal year 1983 and that the only change in the amounts received by each grantee was the pro rata reduction assessed due to the $1 million program reduction. Is this information correct?

Answer: The fiscal year 1984 grants have not yet been "approved for funding" in accordance with 25 CFR 23.33(b); nor have all Area Offices submitted their listing of "preliminary approval", in accordance with 25 CFR 23.27; nor have any of the appeals been heard to date. However, a review of those Area Office listings which have been submitted as "preliminary approval" suggests that seventy-two (72) tribes have been recommended for funding who did receive a fiscal year 1983 grant, and seventeen tribes have not been recommended for funding who did receive a fiscal year 1983 grant. We would consider it to be normal that a majority of the previously approved grantees would be approved for following years funding, when grants are made on a competitive and merit basis. These are the service programs which are funded on need and are producing the desired objectives and goals.

Question: As part of the "band analysis" submission for fiscal year 1983, the Portland Area Office contended that a pro rata share of the Indian Child Welfare Act grant funds be transferred from Juneau to Portland due to the transfer of Metlakatla to the jurisdiction of Portland. If the Bureau response with respect to each area submitting application to the Central Office for evaluation and approval is true, then why did Portland request receiving a portion of Juneau's ICWA money?

Answer: First, the ICWA funding is not a part of the "band analysis" budgeting system. Second, we are not aware of any such request by the Portland Area Office. On November 29, 1983, the Portland Area Office did make the following request: "FY 1984 General Assistance for Metlakatla, proposed allotment of $90,000 by Juneau Area is not adequate, Portland Area requests $30.0 of the $1.7 million allocated for Alaska General Assistance on October 26, 1983." The Portland Area Office was advised that the $1.7 Million was allocated for Alaska General Assistance pursuant to the order of the 9th Circuit Court of Appeals decision and was not intended to meet need for the full year. Therefore, each unit was provided their equitable share of the funding based upon caseload and expenditures, and that the $90,000 was such a share for Metlakatla.

Question: For the record, submit a list of all ICWA grants for the past four fiscal years and the amount of each grant.

Answer: A listing for grants awarded in FY 1981, FY 1982, and FY 1983 follows the questions and answers.

638 Oversight Staff

Question: $705,000 was provided last year to staff an office for contract oversight and monitoring activities. How many people are currently working in that office?

Answer: At the moment, no staff has been hired. However, the Bureau has assigned one staff person full-time and others on a part-time basis, to work on the organizational development, staffing and logistics necessary to bring on-line a new division. In anticipation of start-up and transfer costs, plus the salaries, travel and per diem associated with the actual functioning of the new operation the full appropriation will be consumed. If any FY 1984 savings are achievable, they would be proposed for reallocation to ADP Services. In FY 1985, we anticipate the function to be fully operational.

Question: What is the schedule for filling the 18 positions provided in fiscal year 1984?

Answer: The FY 1984 request includes 25 positions which were expected to use only 18 FTE for 1984 since recruitment actions could not begin until the appropriations were available. The normal personnel recruitment practices to bring new people on board takes over 90 days. However, some of the positions will be filled from within the Bureau by administrative reassignment and this will be accomplished almost immediately.

Question: Provide for the record, the grade levels and job descriptions of the currently funded 18 positions and the grade levels and job descriptions for the 7 additional positions that are requested for fiscal year 1985. For the 18 positions, indicate which ones are currently vacant.

Answer: As indicated above, 25 positions were requested in FY 1984, not 18. The additional 7 FTE requested in FY 1985 relate to the annualization of having all 25 positions filled the entire second year of operation. The requested materials on job descriptions and grade levels follow the questions and answers.

Redesign of Finance System - Trust Fund Accounting

Question: $750,000 is requested to redesign the accounting and finance system of the Bureau of Indian Affairs. In May, 1983, the Bureau contracted with Price Waterhouse for an in-depth review of the management of Indian trust funds. How will the proposed program differ from the Price Waterhouse review?

Answer: The primary purpose of the Price Waterhouse review was to study the investment and accounting of tribal and individual Indian trust funds. The request included in the FY 1985 budget involves funds for redesign of the Bureau's entire finance system and all subsidiary systems, including property management, personnel and payroll data processing, as well as linkage with the Indian Priority System.

Question: What was the cost of the Price Waterhouse contract? What activity was charged for that contract?

Answer: The cost of the Price-Waterhouse contract was $300,000. The funds were made available from the Trust Responsibilities activity.

Question: What steps is the Bureau taking to implement the Price Waterhouse recommendations?

Answer: We are implementing their recommendations relating to establishing positions for a Cash Management Officer and a Cost Accountant. We are in the process of writing position descriptions and the appropriate manual changes for the creation of the two positions. The remaining recommendations are being reviewed.

Question: Has the Bureau chosen a contractor for the redesign of the finance and accounting system?

Answer: No. Advertisement of such a contract must await the availability of the requested appropriations.

Road Maintenance

Question: The Area Office allocation for Road Maintenance is decreased from $111,000 to $59,000. What are the responsibilities of the area offices with respect to this program?

Answer: The responsibilities of the Area Offices in road maintenance are to monitor the Agency programs, and to provide advice and technical assistance to enhance program efficiency in Agency programs, where most of the work is actually done.

Question: Between which areas will the $59,000 be spread?

Answer: The remaining $59,000 in Area Office road maintenance programs is needed for monitoring of tribal (P.L. 93-638) road maintenance contracts. The Minneapolis Area has $48,000, and Sacramento $11,000.

Question: Do current Bureau policies with respect to road maintenance meet the requirements of the Surface Transportation Assistance Act of 1982? If not, list areas of noncompliance.

Answer: The most serious potential non-compliance of Bureau road maintenance with the requirements of the Surface Transportation Assistance Act of 1982 is the need for the periodic sealing of asphalt pavements. This operation was previously a part of the Interior-funded road construction program, but is not eligible for road construction funds from the Highway Trust Fund. Sealing is required on approximately an 8-year cycle to preserve pavement flexibility and to prevent water penetration which causes rapid deterioration. Because this cyclical procedure is relatively expensive in the year it might be required, tribes find it rather difficult to adjust their program priorities to provide the necessary funding in the road maintenance program.

Question: How can the requirements of the Act be met within the parameters of the Indian priority system?

Answer: Within the parameters of the Indian Priority System, we can by regulation or by manual release require BIA agencies to put high priority on paved road maintenance. This would be only a partial solution, since some agency road maintenance program funding levels would be insufficient to meet that high priority without adversely affecting other road maintenance needs. A solution is under study for future budget requests, since we expect the problem will not become critical before FY 1986.

Employment Programs

Question: The justification states that unemployment on Indian reservations is 39 percent -- higher than it has been in years. In fiscal year 1980, there were almost 9,000 participants in the Bureau's direct employment training programs. For fiscal year 1985, it is estimated that there will be only 2,381 trainees. What is the justification for such a reduction in effort over the past five years in view of the climbing unemployment rate on reservations?

Answer: The direct employment program is under the tribal priority system. Any changes in funding levels have been the result of tribal actions in determining their overall program priorities within that system. The tribes have been placing more emphasis on adult vocational training. Also, the decrease in the number of participants in the Bureau's direct employment program over the past five years has been due in part to the continuing increase in cost of providing job placement services.

Economic Development Grants

Question: In three rounds of application for Economic Development Grants, 46 applications were received. How many of these applications were funded?

Answer: In fiscal year 1983, 21 grant applications were funded.

Question: Four examples are provided on p. 129 of projects which received federal support. In three of these examples, a substantial portion of the required 75 percent non-federal match is to come from "in-kind" contributions. Do the regulations specify what types of in-kind contributions will be counted and is there a limit on either the total dollar amount or a percentage amount of the match which can be fulfulled by in-kind contributions?

Answer: The regulations define "in kind" in the definition section of 25 CFR Part 278. It specifies that "in kind" means assets such as buildings, machinery, equipment, or other physical resources which are utilized in the economic enterprise and which are appraised at fair market value by a qualified appraiser. No specific limit is made.

Question: For the record, please provide a list of all grants made under this program with descriptive material as contained on p. 129 of the justification.

Answer: The requested materials follows the questions and answers.

Question: For projects which received bank loans, are all accounts current?

Answer: No delinquencies have been brought to our attention at this time. The Bureau is instituting a monitoring system with quarterly reports to track this information.

Credit and Financing Programs

Question: The Bureau has been making credit and financing loans since 1934. For fiscal year 1985, it is proposed that there be established in the Central Office an Economic Development Facilitator Unit which would consist of experts on business financing, industrial development and tourism. Do none of the current staff of 155 full-time equivalents have expertise in these areas?

Answer: The current credit and financing staff work full time administering the direct loan and loan guaranty programs as well as the economic development grant program. The purpose of the facilitator unit will be to provide Indians in all areas with technical assistance in industrial development, tourism, and financial resource development. The Bureau does not have specialized staff on board in these areas of expertise.

Question: What type of assistance does the Bureau currently provide to tribes wishing to borrow or obtain loan guarantees?

Answer: Our local credit and financing staff at the agencies provide assistance that they can within the time they have available. We also contract with local business specialists to supply expertise that is not available from Bureau staff but which is needed to make the business a viable concern.

Construction Programs

Question: $1,166,000 for land acquisition has been carried over for several years in the construction account. What is the land to be acquired and is it planned to be acquired?

Answer: The remaining balance is to purchase land in the San Carlos Mineral Strip on the San Carlos Indian Reservation. The land purchase was initiated in FY 1976 by an appropriation of $3 million. The unobligated balance remains because of delays in settling court action on the purchase price on several tracts with interests owned by individuals who did not accept the Government's original buyout offer. Negotiations are currently ongoing to settle the lawsuits out of court. Proposals have been made by both parties and it is anticipated that final action on the purchases can be completed by December 31, 1984.

Question: $36 million is requested for the on-going program of facility improvment and repair. Consolidation of underutilized facilities is mentioned several times in the justification. Not counting the boarding schools and Alaska day schools which have been closed by the Congress, what success has the FI&R program had in consolidating facilities?

Answer: From 1980 through 1982, the FI&R construction funds totalled $48.5 million. These funds were primarily used for critical life, health and safety projects. The balance of the funds was used to initiate boiler, emergency and minor repair programs. FI&R funding of $44.5 million become available in FY 1983. Projects awarded in FY 1983 will have construction completed in 1984 and will allow for the following consolidation efforts:

1. Lower Kaibeto has been consolidated into Upper Kaibeto.
2. The FI&R project at Riverside adapted the facilities to accommodate the students from Concho.
3. The FI&R project at Dilcon was bid and is in process of award. When complete, Seba Delkai will be consolidated at Dilcon.

4. Most of the K-8 expansions at Navajo will have construction completed in 1984. Education is currently reviewing the effects of this shift in enrollment to determine what consolidations and/or closures are feasible.

In addition, there is a tribal resolution to consolidate Bread Springs and Jones Ranch at Chi Chil Tah. The project is under design and is scheduled for award in 1985.

Question: How many square feet have been added to the BIA's school system through the FI&R program and how many square feet have been taken out of usage?

Answer: The FI&R program has added 62,949 square feet to the BIA school system, primarily for K-8 expansions. If one considers that the closure of Concho was made possible because of the FI&R project at Riverside, the FI&R program has taken approximately 1.1 million square feet out of usage. Projects under design, the K-8 expansions, boundaries and public schools will continue this trend. The 1.1 million square feet is broken down as follows:

Concho	219,000 square feet
Albuquerque Indian School	542,000 square feet
Lower Kaibeto	84,000 square feet
Busby Dorms	27,000 square feet
Chinle Dorms	58,000 square feet
Misc. Buildings	150,000 square feet
Total	1,080,000 square feet

Question: $4,540,000 is requested to build Western Cheyenne River Consolidated School. According to the justification, this new building will result in the closure of three smaller schools. Do we have your assurance that three smaller schools will indeed be closed and not become contract schools if the new building is provided?

Answer: Closure of the three smaller schools was the justification for the ranking of the new school. Assurance that the three schools will indeed be closed cannot be provided because P.L. 93-638 and P.L. 95-561 dictate that the Secretary must approve any application for a contract school at these locations, unless specific declination criteria can be invoked. This limitation was discussed at the House budget hearings on March 13, 1984, at which time the Chairman indicated that the restrictions within the above laws should be reviewed.

Question: For the record, please provide the current O&M expenditures for Red Scaffold, Cherry Creek and Bridger schools.

Answer: FY 1983 obligations: Red Scaffold $47,918; Cherry Creek $37,900; and Bridger $16,550.

Question: According to the justification, the three small schools would be very expensive to repair. It appears that they have already been very expensive to repair as a total of $504,798 of FI&R funds were spent on these schools in fiscal years 1982 and 1983. To what extent does the Bureau consider future construction in making decisions on FI&R program?

Answer: The Bureau always considers future construction in making decisions on the FI&R Program. Only minimum expenditures to provide a reasonably safe and habitable facility are considered. If construction funds for Western Cheyenne Consolidated School are provided in FY 1985, the school will not be occupied until 1987. The existing facilities must be safe and adequately maintained during this period. Considering the years of neglect of these facilities and limited FI&R funding, providing minimum health and safety is a relatively expensive proposition.

Question: Will these three schools be turned over to the tribe once the new school is built?

Answer: To date, the tribe has made no request for these facilities. If requested by the tribe, disposition other than demolition will be considered.

Question: When such consolidations are to take place, is there pressure from the tribes to upgrade existing facilities which the tribes may be interested in acquiring?

Answer: Yes. If funds are not available and the tribe insists on acquiring the facilities, a current list of items from the inventory backlog is provided to them for their use as they see fit upon acquiring the property. A review of the disposition of excess property is underway in the Bureau.

Question: With respect to the next five schools on the priority list for construction, please provide for the record an account of all FI&R funds which have been spent or which will be spent between fiscal year 1983 and 1985.

Answer:

1.	Rocky Boys	$523,682 (FY 83)
2.	Coeur d' Alene	-0-
3.	Paschal Sherman	-0-
4.	Crow Creek	-0-
5.	Lac Courte Oreilles Ojibwa	-0-

Question: As mentioned earlier, some Navajo day schools have received approval for expansion beginning with the 1984-85 school year and more will receive approval for the 1985-86 school year. The 10 expansions were to be accompanied by 10 consolidations or closures. The two are not taking place simultaneously. Why hasn't the Bureau required one consolidation or closure for each expansion?

Answer: The ten K-8 expansions were designed to achieve two major objectives: (1) to expand day school opportunities on the reservation; and (2) to permit consolidation of existing facilities. The expansions which have been completed have enabled some children to attend day schools rather than boarding schools, although overall, there has been an increase in boarding school enrollments. They have also resulted in the movement of some children from public schools to BIA schools. Nevertheless, many of the students who are attending the expanded schools have come from Bureau boarding schools. Boarding students who have or will be transferring to the expanded schools come from schools all over the reservation. Thus, the net impact on all Navajo boarding schools has not yet resulted in opportunities for closure of any of those facilities. The final results will not be known until all of the expansions are completed and anticipated student transfers take place.

Question: When can we be expected to see the consolidations?

Answer: The Bureau and the Navajo Tribe should complete all consultations and decisions on boarding school consolidations in FY 1986.

Attachments for the Record

1. Summer instructional and recreational programs
2. Housing programs under contract

3a. Unpaid tribal assessments

3b. Revised justification page, irrigation operation and maintenance costs

4. Irrigation expenditures for Operations and Maintenance by projects
5. Law enforcement increases by tribe/agency location
6. Listing of Indian Child Welfare Act grants
7. 638-oversight job descriptions and grade levels
8. Economic development grants

Attachment 1

SUMMER PROGRAM SUMMARY

	FY 1983	FY 1984
Number of schools offering summer programs	55	60
Total dollars spent for summer programs	$1,006,118	$1,575,355
Number of students served	7,124	7,663
Number of summer programs by type*		
Instruction	29	22
Remedial	32	33
Recreation	11	13
Special Education	2	7
Other	5	7
Computer Arts & Crafts		
Language Band Camp		
Pre-School Food Service		
Bilingual Behavior Mod.		
TOTALS:	79	82

* Totals exceed individual programs since some are combinations. (e.g. Instr/Rec)

Dollar amount by funding source:

FY 1983

Chapter I	$367,120
I.S.E.P.	576,210
PL 94-142	6,000
Title IV	16,044
Tribal	4,400
JOM	19,044
PL 82-874	17,300
	$1,006,118

FY 1984

Chapter I	$693,538
I.S.E.P.	708,608
PL 94-142	52,339
Title IV	4,370
Title VII	40,000
JOM	19,000
Early Child	57,500
	$1,575,355

Attachment 2

Housing Cost Analysis Reports

Attached are analyses for FY 1982 and FY 1983 of all housing contracts under the Housing Improvement Program (HIP). This information displays each contract with the number of repairs and new units, the average costs for each category and the tribal employment supported by the contracts.

This Housing Survey has indicated problems in both average costs and uses of contract funds. The survey of $2,500 per unit does indicate that certain areas have exceeded the average cost limits for housing repairs. The results of the survey will be of use in rectifying problems as a new methodology is developed by the housing task force for determining need and allocating housing funds.

Funds under housing contracts were available for two years as are all funds contracted by tribes. However, some of the FY 1982 contract amounts are greater than the total repairs and new construction. This is because administrative as well as ancillary construction costs such as construction management and site preparation costs were not calculated as part of the total unit cost. FY 1984 funds will remain available until expended because they were appropriated under the construction account.

SUMMARY SHEET - FY 1982

HIP CONTRACTS - COST ANALYSIS

AREA Bureau-wide

FISCAL YEAR 1982

Area	Number of Contracts	Total Amount of Contracts	Number of Repairs (Cat. A)	Number of Repairs (Cat. B)	Average Cost of Repairs (Cat. A)	Average Cost of Repairs (Cat. B)	Number of New Units (Cat. C)	Number of New Units (Cat. D)	Average Cost of New Units (Cat. C)	Average Cost of New Units (Cat. D)	Tribal Employment supported by Contracts (Man-Years)
Aberdeen	16	$1,846,100	179	175	$1,018	$7,218	39	14	$3,300	$16,857	30.0
Albuquerque	7	1,130,000	87	59	1,729	9,814	0	13	0	10,093	49.0
Anadarko	15	1,043,565	83	131	1,572	4,362	1	1	5,000	16,406	27.7
Billings	5	856,000	195	146	1,073	3,170	0	0	0	0	23.5
Eastern	16	942,974	107	79	2,020	4,758	4	12	4,000	30,750	69.8
Juneau	17	1,882,676	107	155	1,706	5,348	6	52	3,467	14,589	24.0
Minneapolis	24	2,482,427	342	164	1,705	7,334	51	30	3,563	13,814	65.5
Muskogee	8	539,858	90	69	1,030	7,926	0	2	0	10,000	15.5
Navajo	1	2,130,700	213	112	2,984	6,378	0	45	0	17,350	115.22
Phoenix	15	2,670,900	115	41	2,210	13,230	0	59	0	26,600	39.0
Portland	8	1.439.182	128	107	2,275	5,324	21	8	4,544	36,646	48.9
Sacramento	0	0	0	0	0	0	0	0	0	0	0

. SUMMARY SHEET - FY 1983

HIP CONTRACTS - COST ANALYSIS

AREA Bureau-wide

FISCAL YEAR 1983 (Includes Jobs Bill)

Area	Number of Contracts	Total Amount of Contracts	Number of Repairs (Cat. A)	Number of Repairs (Cat. B)	Average Cost of Repairs (Cat. A)	Average Cost of Repairs (Cat. B)	Number of New Units (Cat. C)	Number of New Units (Cat. D)	Average Cost of New Units (Cat. C)	Average Cost of New Units (Cat. D)	Tribal Employment supported by Contracts (Man-Years)
Aberdeen	15	$3,676,500	132	249	$1,767	$10,681	31	23	$2,984	$30,130	134.0
Albuquerque	12	3,424,677	245	206	1,543	10,164	0	31	0	4,862	136.69
Anadarko	16	2,008,012	36	133	1,889	7,718	1	5	1,736	34,000	53.52
Billings	4	2,783,700	386	145	329	5,466	0	8	0	27,875	59.06
Eastern	18	2,233,249	110	109	2,020	8,950	6	35	3,500	29,980	165.27
Juneau	17	5,956,942	103	111	1,748	4,748	14	121	4,500	36,187	97.34
Minneapolis	28	4,923,506	190	333	2,137	8,671	65	42	3,311	29,922	203.70
Muskogee	10	1,623,603	91	102	1,914	8,516	8	0	2,500	0	15.5
Navajo	1	6,282,900	178	330	2,051	12,008	0	86	0	22,443	336.0
Phoenix	16	4,372,300	153	98	910	10,060	0	140	0	25,290	80.5
Portland	14	2,277,974	108	163	1,746	9,175	11	12	4,082	37,345	76.6
Sacramento	18	2,782,500	19	100	2,430	11,000	0	45	0	33,438	114.0

HIP CONTRACTS - COST ANALYSIS

AREA Aberdeen

FISCAL YEAR 1982

Tribe (Contractor)	Amount of Contract ($000)	Number of Repairs (Cat. A)	Number of Repairs (Cat. B)	Average Cost of Repairs (Cat. A)	Average Cost of Repairs (Cat. B)	Number of New Units (Cat. C)	Number of New Units (Cat. D)	Average Cost of New Units (Cat. C)	Average Cost of New Units (Cat. D)	Tribal Employment supported by Contracts (Man-Years)
Cheyenne River	143.8		7		$12,971		4		$13,250	4.0
Flandreau 1/	19.6	2		$2,000						1.0
Fort Berthold	142.0	20	7	1,500	11,714		1		30,000	3.0
Fort Totten	79.5	6	7	2,083	9,571					1.0
Pine Ridge	244.8	6	17	2,333	13,576					2.0
Rosebud	227.8	6	19	2,500	6,452		2		40,250	4.0
Yankton	39.6	46	13	217	2,276					2.0
Sisseton	142.3	50	22	846	4,545					2.0
Standing Rock	145.2	12	10	416	8,120	3	6	$1,666	9,000	2.0
Turtle Mountain	314.6	16	19	2,000	10,978	11	1	5,000	19,000	2.0
Winnebago	35.0	5	32	1,000	384	7		2,528		1.0
Omaha	43.5		3		6,166	5		5,000		1.0
Santee	14.5	6		2,416						1.0
Crow Creek	90.6		10		6,460	13		2,000		0.0
Lower Brule	102.7	4	5	2,000	18,940					1.0
Trenton	60.6		4		15,150					4.0
										1.0

1/ $15,600 went for administration by the Tribe & also paid HIP Director's salary until end of FY 1982.

HIP CONTRACTS - COST ANALYSIS

AREA Aberdeen

FISCAL YEAR 1983

Tribe (Contractor)	Amount of Contract	Number of Repairs (Cat. A)	Number of Repairs (Cat. B)	Average Cost of Repairs (Cat. A)	Average Cost of Repairs (Cat. B)	Number of New Units (Cat. C)	Number of New Units (Cat. D)	Average Cost of New Units (Cat. C)	Average Cost of New Units (Cat. D)	Tribal Employment supported by Contracts (Man-Years)
Cheyenne River	$101,100	0	7	0	$ 5,842	0	4	0	$15,050	
Fort Berthold	120,400	12	12	$2,500	6,783	0	0	0	0	2.0
Fort Totten	50,200	0	6	0	8,366	0	0	0	0	2.0
Pine Ridge	195,800	11	6	2,000	28,966	0	0	0	0	
Rosebud	197,800	1	6	2,500	26,716	0	1	0	35,000	
Yankton	36,000	16	4	1,000	5,000					1.0
Sisseton	152,100	22	15	2,082	7,086	0	0	0	0	
Standing Rock	91,200	13	13	769	3,630	2	1	$3,000	28,000	
Turtle Mountain	243,200	0	45	0	3,937	8	3	2,625	15,000	
Winnebago	19,200	5	3	1,140	1,333	3	0	3,166	0	0.
Omaha	40,100	0	1	0	15,100	0	1	0	25,000	0.
Santee	8,000	9	0	888	0	0	0	0	0	0.
Crow Creek	40,000	0	0	0	0	14	0	2,857	0	1.0
Lower Creek	71,700	12	8	2,500	5,212	0	0	0	0	3.0
Trenton	52,200	1	3	1,500	11,566	4	0	4,000	0	1.0

HIP CONTRACTS - COST ANALYSIS

AREA Aberdeen

FISCAL YEAR 1983 (Jobs Bill)

Tribe (Contractor)	Amount of Contract	Number of Repairs		Average Cost of Repairs		Number of New Units		Average Cost of New Units		Tribal Employment supported by Contracts (Man-Years)
		(Cat. A)	(Cat. B)	(Cat. A)	(Cat. B)	(Cat. C)	(Cat. D)	(Cat. C)	(Cat. D)	
Cheyonne River	$532,000	0	32	0	$ 9,594	0	5	0	$45,000	
Pine Ridge	264,000	0	24	0	11,000	0	0	0	0	
Rosebud	155,500	3	7	$2,500	11,142	0	2	0	35,000	
Sisseton	600,000	3	31	2,100	10,000	0	7	0	40,528	
Standing Rock	334,000	0	14	0	18,500	0	5	0	15,000	
Turtle Mountain	372,000	24	12	2,000	13,000	0	5	0	33,600	

HIP CONTRACTS - COST ANALYSIS

AREA Albuquerque

FISCAL YEAR 1982

Tribe (Contractor)	Amount of Contract	Number of Repairs		Average Cost of Repairs		Number of New Units		Average Cost of New Units		Tribal Emplo ment support by Contracts (Man-Years)
		(Cat. A)	(Cat. B)	(Cat. A)	(Cat. B)	(Cat. C)	(Cat. D)	(Cat. C)	(Cat. D)	
Jicarilla	54.3	3	0	2,500.00	0	0	3	0	15,600.00	5.0
Mescalero*	286.9	16	8	906.44	11,194.62	0	1	0	23,973.71	11.8
Ramah Navajo	199.8	14	4	2,500.00	10,600.00	0	8	0	8,563.00	8.6
Southern Ute	84.5	2	15	500.00	5,500.00	0	0	0	0	1.5
Ute Mountain	89.0	8	18	2,500.00	3,833.00	0	0	0	0	4.9
Zuni**	238.3	2	6	2,340.00	15,421.21	0	1	0	20,045.58	8.6
Laguna	177.2	42	8	1,104.76	15,725.00	0	0	0	0	8.7

*Mescalero - Carryover amounts to $158,866.29, approximately 60% of which pertains to inventory of materials and rental for storage for materials. Also included are insurance costs and GSA vehicle rental.

**Zuni - Carryover amounts to $91,217.75 which pertains to physical inventory of materials stockpiled at their warehouse.

HIP CONTRACTS - COST ANALYSIS

AREA Albuquerque

FISCAL YEAR 1983

Tribe (Contractor)	Amount of Contract	Number of Repairs		Average Cost of Repairs		Number of New Units		Average Cost of New Units		Tribal Employment supported by Contracts (Man-Years)
		(Cat. A)	(Cat. B)	(Cat. A)	(Cat. B)	(Cat. C)	(Cat. D)	(Cat. C)	(Cat. D)	
Jicarilla	33.7	0	0	0	0	0	2	0	16,850.00	6.2
Mescalero*	294.7	34	7	1,245.45	7,616.36	0	0	0	0	10.1
Ramah Navajo***	144.4	37	22	546.00	1,155.00	0	11	0	2,682.00	7.7
Southern Ute	84.0	1	25	1,000.00	3,320.00	0	0	0	0	2.2
Ute Mountain	0	0	0	0	0	0	0	0	0	0
Zuni**	250.1	1	10	769.46	14,173.78	0	0	0	0	11.7
Laguna	137.3	39	8	1,179.48	11,412.50	0	0	0	0	7.0

*Mescalero - Carryover amounts to $199,040.18, approximately 60% of which pertains to inventory of materials and rental for storage of materials. Also included are insurance costs and GSA vheicle rental.

**Zuni - Carryover amounts to $103,137.97 which pertains to physical inventory of materials stockpiled at their warehouse.

***Ramah Navajo - The low cost for their Category D houses pertain to new houses that are built from the ground up, usually for elderly couples. Square footage is cut down to 16' x 24' with two rooms, bathroom facilities and hook-up for electricity in the event electricity is available. In most cases, wood is used for heating. In some cases, water is available; in most cases, outhouses are preferred because of isolated conditions. Usually, labor is free in construction of these houses.

: JOBS BILL PROJECTS

HIP CONTRACTS - COST ANALYSIS

AREA Albuquerque

FISCAL YEAR 1983 (Jobs Bill) Shown as Completed Projects

Tribe (Contractor)	Amount of Contract	Number of Repairs (Cat. A)	Number of Repairs (Cat. B)	Average Cost of Repairs (Cat. A)	Average Cost of Repairs (Cat. B)	Number of New Units (Cat. C)	Number of New Units (Cat. D)	Average Cost of New Units (Cat. C)	Average Cost of New Units (Cat. D)	Tribal Employment supported by Contracts (Man-Years)
SOUTHERN PUEBLOS AGENCY										
Acoma	198,000.00	0	18	0	11,000.00	0	0	0	0	12.0
Jemez	204,619.00	0	12	0	11,167.00	0	2	0	35,310.00	15.0
San Felipe	255,858.00	0	4	0	11,000.0C	0	6	0	35,310.00	19.19
NORTHERN PUEBLOS AGENCY										
Taos*	60,000.00	37	0	1,621.62	0	0	0	0	0	7.0
San Ildefonso	66,000.00	30	0	2,200.00	0	0	0	0	0	4.0
RAMAH NAVAJO	766,000.00	0	40	0	4,800.00	0	10	0	9,500.00	32.2
ZUNI	664,500.00	0	41	0	16,207.00	0	0	0	0	38.0
LAGUNA	265,500.00	66	19	992.42	10,526.32	0	0	0	0	14.4

*Taos contract consisted of labor costs only. Materials were to be controlled by Northern Pueblos Agency by purchase order. $50,000 was obligated; however, due to material funds not being expended prior to end of FY 83, funds for material became unavailable.

All other contracts for Jobs Bill were contracted to include labor, materials and administrative costs.

HIP CONTRACTS - COST ANALYSIS

AREA Anadarko

FISCAL YEAR 1982

Tribe (Contractor)	Amount of Contract	Number of Repairs		Average Cost of Repairs		Number of New Units		Average Cost of New Units		Tribal Employment supported by Contracts (Man-Years)
		(Cat. A)	(Cat. B)	(Cat. A)	(Cat. B)	(Cat. C)	(Cat. D)	(Cat. C)	(Cat. D)	
Caddo	$ 57,528	7	8	$1,504	$5,000	1		$5,000		1.5
Comanche	200,621	2	16	1,958	7,456					2.6
Delaware	14,398	3	1	630	2,812					1.0
Kiowa	289,205	5	21	835	10,483					7.5
Cheyenne-Arapaho	149,170	8	6	1,800	4,500					4.0
Citizens Band Potawatomi	23,510	1	3	2,274	6,913					.5
Iowa	62,792	12	8	2,014	2,895					.02
Kickapoo	27,771		1		11,365		1		$16,406	.34
Potawatomi	27,600	3	15	1,690	1,340					.21
Sac & Fox	9,700	4	8	414	621					.0
Kaw	33,638		10		2,500					1.5
Pawnee	55,044	10		4,000						3.0
Ponca	57,400	28	18	800	1,200					4.0
Tonkawa	10,703		4		2,675					.5
Otoe-Missouria	24,485		12		2,040					1.0

HIP CONTRACTS - COST ANALYSIS

AREA Anadarko

FISCAL YEAR 1983

Tribe (Contractor)	Amount of Contract	Number of Repairs (Cat. A)	Number of Repairs (Cat. B)	Average Cost of Repairs (Cat. A)	Average Cost of Repairs (Cat. B)	Number of New Units (Cat. C)	Number of New Units (Cat. D)	Average Cost of New Units (Cat. C)	Average Cost of New Units (Cat. D)	Tribal Employment supported by Contracts (Man-Years)
Apache	$ 23,017		3		$6,900					.1
** Caddo	220,075		27		5,240					8.9
** Comanche	335,062	4	28	$1,877	6,835					9.6
Delaware	13,043		2		4,681					1.0
Kiowa	157,285		12		9,446					2.8
Wichita & Affiliated Tribes of Oklahoma	18,797		2		7,183					.2
* Cheyenne-Arapaho	184,000	21	8	2,200	5,100					4.0
Sac & Fox of Oklahoma	54,528		3		14,933					.5
Iowa	18,000	8		1,382						.0
Kickapoo	15,000		1		15,000	1		$1,736		.0
* Kickapoo	215,000	1	5	2,500	5,000					.0
Potawatomi	28,700	1	3	2,181	1,183		5		$34,000	.42
Sac & Fox	1,400	1	2	600	400					.0
* Ponca	407,000		16		21,875					15.0
* Pawnee	275,000		8		5,000					9.0
Kaw	42,105		13		3,000					2.0

*Jobs Bill Only
**Includes Jobs Bill funding

HIP CONTRACTS - COST ANALYSIS

AREA Billings

FISCAL YEAR 1982

Tribe (Contractor)	Amount of Contract	Number of Repairs (Cat. A)	Number of Repairs (Cat. B)	Average Cost of Repairs (Cat. A)	Average Cost of Repairs (Cat. B)	Number of New Units (Cat. C)	Number of New Units (Cat. D)	Average Cost of New Units (Cat. C)	Average Cost of New Units (Cat. D)	Tribal Employment supported by Contracts (Man-Years)
Blackfeet	$322,700	150	30	$ 755	$5,660					9.0
Flathead	174,400	16	20	2,500	3,640					2.5
Fort Belknap	44,900		26		688					4.2
Fort Peck	146,700	12	51	2,500	1,504					6.0
Northern Cheyenne	167,300	17	19	1,529	6,611					1.8

HIP CONTRACTS - COST ANALYSIS

AREA Billings

FISCAL YEAR 1983

Tribe (Contractor)	Amount of Contract	Number of Repairs		Average Cost of Repairs		Number of New Units		Average Cost of New Units		Tribal Employment supported by Contracts (Man-Years)
		(Cat. A)	(Cat. B)	(Cat. A)	(Cat. B)	(Cat. C)	(Cat. D)	(Cat. C)	(Cat. D)	
Blackfeet	$559,300	327	39	$ 329	$5,466		8		$27,875	30.0
Fort Blaknap	774,500 *	25	31							20.0
Fort Peck	856,200 *	23	63							8.5
Northern Cheyenne	593,700 *	11	12							.56

*Includes Jobs Bill HIP funding

HIP CONTRACTS - COST ANALYSIS

AREA Eastern

FISCAL YEAR 1982

Tribe (Contractor)	Amount of Contract	Number of Repairs		Average Cost of Repairs		Number of New Units		Average Cost of New Units		Tribal Employment supported by Contracts (Man-Years)
		(Cat. A)	(Cat. B)	(Cat. A)	(Cat. B)	(Cat. C)	(Cat. D)	(Cat. C)	(Cat. D)	
Maliseet	$100,274	16	10	$2,500	$6,000	0	0	0	0	7.42
1/Passamaquoddy(IT	25,500	24	0	1,000	0	0	0	0	0	1.89
2/Passamaquoddy(PP	60,100	10	0	2,500	0	0	1	0	$35,000	4.45
Penobscott Nation	54,800	0	16	0	3,400	0	0	0	0	4.06
Seneca Nation	68,000	42	0	1,600	0	0	0	0	0	5.03
St. Regis Mohawk	50,000	0	3	0	7,000	0	1	0	25,000	3.70
Cherokee	149,100	0	0	0	0	0	5	0	29,500	11.03
Miccosukee	141,300	15	0	2,500	0	0	2	0	45,000	10.46
Seminole	104,900	0	25	0	4,000	0	0	0	0	7.76
Choctaw	125,700	0	17	0	3,500	4	2	$4,000	25,000	9.40
Chitimacha	13,300	0	3	0	4,400	0	0	0	0	.99
Coushatta	50,000	0	5	0	5,000	0	1	0	25,000	3.70

1/ Indian Township
2/ Pleasant Point

HIP CONTRACTS - COST ANALYSIS

AREA Eastern

FISCAL YEAR 1983

Tribe (Contractor)	Amount of Contract	Number of Repairs (Cat. A)	Number of Repairs (Cat. B)	Average Cost of Repairs (Cat. A)	Average Cost of Repairs (Cat. B)	Number of New Units (Cat. C)	Number of New Units (Cat. D)	Average Cost of New Units (Cat. C)	Average Cost of New Units (Cat. D)	Tribal Employment supported by Contracts (Man-Years)
Maliseet	$ 95,000	5	4	$2,500	$17,090	0	0	0	0	7.03
1/Passamaquoddy (IT)	26,500	4	5	2,000	2,500	2	0	$3,000	0	1.96
2/Passamaquoddy (PP)	59,700	6	0	2,450	0	0	2	0	$22,500	4.42
Penobscot Nation	29,600	2	6	1,200	4,500	0	0	0	0	2.19
Seneca Nation	218,900	43	10	2,500	11,000	0	0	0	0	16.19
St. Regis Mohawk	50,000	20	0	2,500	0	0	0	0	0	3.70
Cherokee	226,979	0	17	0	4,500	0	6	0	25,000	16.79
Miccosukee	89,400	0	0	0	0	0	3	0	37,000	6.62
Seminole	113,200	15	0	1,000	0	0	3	0	29,000	8.38
Choctaw	69,200	0	17	0	3,000	4	0	4,000	0	5.12
Chitimacha	35,020	4	3	2,050	7,700	0	0	0	0	2.59
Coushatta	118,000	0	9	0	13,000	0	0	0	0	8.73
Tunica Biloxi	80,750	0	0	0	0	0	3	0	26,300	5.97
* Passamaquoddy (PP	218,000	0	10	0	12,000	0	3	0	30,000	16.13
* St. Regis Mohawk	193,000	0	11	0	9,600	0	2	0	40,000	14.28
* Seminole	190,000	7	7	1,500	10,000	0	3	0	35,000	14.06
* Choctaw	204,000	9	10	2,500	12,500	0	3	0	25,000	15.13
* Tunica Biloxi	216,000	0	0	0	0	0	7	0	30,000	15.98

1/ Indian Townshi
2/ Pleasant Point

*Jobs Bill Program

HIP CONTRACTS - COST ANALYSIS

AREA: JUNEAU, ALASKA

FISCAL YEAR: 1982

Tribe (Contractor)	Amount of Contract	Number of Repairs		Average Cost of Repairs		Number of New Units		Average Cost of New Units		Tribal E ment sup by Contr (Man-Yea
		(Cat. A)	(Cat. B)	(Cat. A)	(Cat. B)	(Cat. C)	(Cat. D)	(Cat. C)	(Cat. D)	
ANCHORAGE AGENCY										
a. Kenaitze Indian Tribe	$ 19,000	0	8	0	$ 2,375	0	0	0	0	
b. Kodiak Area Native Assn.	$ 39,300	0	8	0	$ 4,900	0	0	0	0	1
BETHEL AGENCY										
a. Association of Village Council Presidents	$198,075	0	10	0	$ 6,900	0	5	0	$25,815	2
b. Orutsararmuit Native Council	$ 46,000	4	2	$ 2,500	$ 18,000	0	0	0	0	1

HIP CONTRACTS - COST ANALYSIS

AREA: JUNEAU, ALASKA

FISCAL YEAR: 1982

Tribe (Contractor)	Amount of Contract	Number of Repairs		Average Cost of Repairs		Number of New Units		Average Cost of New Units		Triba ment by Co (Man-
		(Cat. A)	(Cat. B)	(Cat. A)	(Cat. B)	(Cat. C)	(Cat. D)	(Cat. C)	(Cat. D)	
FAIRBANKS AGENCY										
a. Tanana Chiefs Conference, Inc.	$453,600	11	10	$ 1,000	$ 5,200	0	38	0	$10,277	8
b. Inupiat Community of the Arctic Slope	$190,400	25	13	$ 1,488	$11,785	0	0	0	0	2
NOME AGENCY										
a. Kiana Traditional Council	$ 21,036	8	0	$ 2,629	0	0	0	0	0	
b. Noorvik IRA Council	$ 34,306	0	4	0	$ 8,576	0	0	0	0	
c. Selawik Native Village	$ 31,900	16	0	$ 1,993	0	0	0	0	0	
d. Maniilaq Assn.	$ 86,700	12	18	$ 700	$ 4,350	0	0	0	0	2
e. Kotzebue IRA Council	$118,800	3	8	$ 2,500	$ 13,162	1	0	$ 6,000	0	2
										29

HIP CONTRACTS - COST ANALYSIS

AREA: JUNEAU, ALASKA

FISCAL YEAR: 1982

Tribe (Contractor)	Amount of Contract	Number of Repairs (Cat. A)	Number of Repairs (Cat. B)	Average Cost of Repairs (Cat. A)	Average Cost of Repairs (Cat. B)	Number of New Units (Cat. C)	Number of New Units (Cat. D)	Average Cost of New Units (Cat. C)	Average Cost of New Units (Cat. D)	Tribal ment s by Con (Man-Ye
NOME (continued)										
g. Nome Eskimo Community	$248,300	8	0	$ 2,500	0	1	7	$ 6,000	$ 31,757	2
SOUTHEAST AGENCY										
a. Angoon Community Assn.	$ 27,500	9	0	$ 1,196	0	0	2	0	$ 8,368	
b. Ketchikan Indian Corporation	$ 66,335	0	17	0	$ 3,902	0	0	0	0	1
c. Sitka Community Assn.	$ 29,650	4	2	$ 2,500	$ 9,825	0	0	0	0	1
d. Tlingit & Haida	$211,000	2	34	$ 2,500	$ 5,573	4	0	$ 4,129	0	1
e. Metlakatla	$60,774	5	21	$ 1,320	$ 2,580	0	0	0	0	1

HIP CONTRACTS - COST ANALYSIS

AREA: JUNEAU, ALASKA

FISCAL YEAR: 1983

Tribe (Contractor)	Amount of Contract	Number of Repairs		Average Cost of Repairs		Number of New Units		Average Cost of New Units		Tribal ment s by Con (Man-Y
		(Cat. A)	(Cat. B)	(Cat. A)	(Cat. B)	(Cat. C)	(Cat. D)	(Cat. C)	(Cat. D)	
ANCHORAGE AGENCY										
a. Kenaitze	$ 70,000*	11	0	$ 2,500	0	0	0	0	0	2
b. Kodiak	$100,000*	6	0	$ 2,500	0	0	0	0	0	2
(* Kenaitze-$ 42,500 Carryover to FY 84) (* Kodiak-$ 85,000 Carryover to FY 84)										
BETHEL AGENCY										
a. Association of Village Council Presidents	$261,200	0	23	0	$ 6,387	0	4	0	$ 28,575	2
b. Orutsararmuit Native Council	$ 60,400	3	6	$ 600	$ 7,770	0	1	0	$ 12,000	1

HIP CONTRACTS - COST ANALYSIS

AREA: JUNEAU, ALASKA

FISCAL YEAR: 1983

Tribe (Contractor)	Amount of Contract	Number of Repairs		Average Cost of Repairs		Number of New Units		Average Cost of New Units		Tribal ment su by Cont (Man-Y
		(Cat. A)	(Cat. B)	(Cat. A)	(Cat. B)	(Cat. C)	(Cat. D)	(Cat. C)	(Cat. D)	
FAIRBANKS AGENCY										
a. Tanana Chiefs Conference	$452,800	12	25	$ 2,000	$ 8,008	0	26	0	$ 8,800	10
b. Venetie	$ 57,000	12	5	$ 1,012	$ 8,955	0	0	0	0	
NOME AGENCY										
a. Kiana	$ 29,244	5	1	$ 2,440	$ 17,044	0	0	0	0	1
b. Noorvik	$ 43,900	0	4	0	$ 10,975	0	0	0	0	
c. Selawik	$ 35,700	15	0	$ 2,380	0	0	0	0	0	
d. Manillaq	$ 85,155	5	12	$ 2,000	$ 6,262	0	0	0	0	2
e. Kotzebue IRA	$133,300	14	10	$ 2,000	$ 9,930	1	0	$ 6,000	0	2
f. Nome Eskimo	$154,000	0	7	0	$ 4,285	4	4	$ 5,000	$ 26,001	2
g. Kawerak	$191,900	0	5	0	$ 8,700	0	3	0	$ 49,100	2

HIP CONTRACTS - COST ANALYSIS

AREA: JUNEAU, ALASKA

FISCAL YEAR: 1983

Tribe (Contractor)	Amount of Contract	Number of Repairs		Average Cost of Repairs		Number of New Units		Average Cost of New Units		Tribal Emp ment suppo by Contrac (Man-Year
		(Cat. A)	(Cat. B)	(Cat. A)	(Cat. B)	(Cat. C)	(Cat. D)	(Cat. C)	(Cat. D)	
SOUTHEAST AGENCY										
a. Angoon	$ 26,838	10	0	$ 997	0	0	2	0	$ 8,434	1
b. Ketchikan`	$ 62,000	18	3	$ 2,500	$ 5,667	0	0	0	0	1
c. Sitka	$ 30,000	0	5	0	$ 6,000	0	0	0	0	1
d. Tlingit & Haida	$147,200	2	5	$ 2,500	$ 17,775	9	0	$ 5,925	0	2
										35
										Estim

HIP CONTRACTS - COST ANALYSIS

AREA Juneau

FISCAL YEAR 1983 (Jobs Bill)

Tribe (Contractor)	Amount of Contract	Number of Repairs (Cat. A)	Number of Repairs (Cat. B)	Average Cost of Repairs (Cat. A)	Average Cost of Repairs (Cat. B)	Number of New Units (Cat. C)	Number of New Units (Cat. D)	Average Cost of New Units (Cat. C)	Average Cost of New Units (Cat. D)	Tribal Employment supported by Contracts (Man-Years)*
Traditional Council, Chitina	$165,000						3		$55,000	2.00
St. George Comm. Council	275,000						5		55,000	4.00
Traditional Council, Tazlina, Alaska	110,000						2		55,000	1.50
IRA Council of Kwigillingok	275,000						5		55,000	4.5
Marshall Traditional Council	275,000						5		55,000	4.50
Association of Village Council Presidents	685,796						12		55,000	13.00
Tanana Chiefs Conference	828,000						24		32,000	15.00
Nome Eskimo	570,000						10		55,000	6.00
Kawerak	260,000						5		52,000	3.00
Angoon Community Association	572,509						10		55,000	12.54

Estimated man years to be complete construction in FY 1984.

HIP CONTRACTS - COST ANALYSIS

AREA Minneapolis

FISCAL YEAR 1982

Tribe (Contractor)	Amount of Contract	Number of Repairs		Average Cost of Repairs		Number of New Units		Average Cost of New Units		Tribal Employment supported by Contracts (Man-Years)
		(Cat. A)	(Cat. B)	(Cat. A)	(Cat. B)	(Cat. C)	(Cat. D)	(Cat. C)	(Cat. D)	
Bad River	$122,500	7	6	$2,500	$17,500	0	0	0	0	5
Forest County	42,800	7	2	2,186	13,750	0	0	0	0	1
Lac Courte Oreilles	118,300	7	10	1,071	11,080	0	0	0	0	9
Lac Du Flambeau	99,700	3	2	1,500	14,000	6	1	$5,000	$37,200	5
Oneida	70,800	10	9	1,030	4,778	4	0	4,375	0	0
Red Cliff	79,200	11	9	1,818	6,111	6	0	700	0	1
Sokaogon Chippewa	55,900	4	1	2,398	20,000	6	0	4,384	0	1
St. Croix	101,500	10	3	1,500	18,833	7	0	4,286	0	1.32
Stockbridge-Munsee	61,400	4	6	2,500	8,567	0	0	0	0	2
Menominee	276,300	17	27	2,047	6,444	17	0	3,971	0	5
Bay Mills	126,604	97	13	1,198	800	0	0	0	0	0.1
Grand Traverse	219 108	4	22	2,296	9,542	0	0	0	0	13.7
Hannahville	116,355	12	0	2,500	0	0	2	0	43,177	7.2
Keweenaw Bay	117,900	44	9	2,004	3,254	0	0	0	0	0
Saginaw Chippewa	130,802	48	4	1,619	8,852		0		0	0
Sault Ste. Marie	111,058	34	6	618	12,548	0	0	0	0	4.7
Boise Forte	100,500	0	8	0	6,000	0	3	0	17,500	1
Grand Portage	65,800	0	9	0	7,312	0	0	0	0	0.5
Leech Lake	221,300	0	5	0	8,560	0	20	0	8.917	3
Lower Sioux	23,950	6	5	1,500	2,390	2	0	1,500	0	0
Prairie Island	23,950	6	3	1,367	5,249	0	0	0	0	0
Shakopee	23.950	11	2	1,632	3,000	0	0	0	0	0
Upper Sioux	23,950	0	3	0	5,983	3	0	2,000	0	0
Sac & Fox	148,800	0	0	0	0	0	4	0	37,200	5

HIP CONTRACTS - COST ANALYSIS

AREA Minneapolis

FISCAL YEAR 1983

Tribe (Contractor)	Amount of Contract	Number of Repairs (Cat. A)	Number of Repairs (Cat. B)	Average Cost of Repairs (Cat. A)	Average Cost of Repairs (Cat. B)	Number of New Units (Cat. C)	Number of New Units (Cat. D)	Average Cost of New Units (Cat. C)	Average Cost of New Units (Cat. D)	Tribal Employment supported by Contracts (Man-Years)
Bad River	$ 82,000	2	3	$2,500	$15,434	4	0	$5,000	0	2.3
Forest County	47,400	5	4	1,200	5,350	4	0	5,000	0	1.0
Lac Courte Oreilles	102,000	12	16	2,500	4,500	0	0	0	0	9.0
Lac du Flambeau	84,500	0	3	0	6,900	0	2	0	$ 31,900	5.3
Oneida	64,700	1	11	2,500	2,927	2	0	5,000	0	1.7
Red Cliff	74,500	6	4	2,500	14,125	2	0	1,500	0	1.7
Sokaogon Chippewa	40,400	2	3	2,500	6,800	3	0	5,000	0	1.0
St. Croix	65,900	0	0	0	0	14	0	4,707	0	1.5
Stockbridge-Munsee	64,600	0	8	0	8,075	0	0	0	0	1.5
Menominee	311,400 1/	17	11	2,474	18,323	10	0	2,970	0	7.0
Bay Mills	87,100	69	3	1,222	800	0	0	0	0	0.1
Grand Traverse	100,000	7	7	2,500	9,642	0	0	0	0	4.0
Hannahville	83,000	1	0	2,000	0	0	2	0	33,000	5.5
Keweenaw Bay	100,000	1	19	2,000	5,012	1	0	3,500	0	3.9
Saginaw Chippewa	58,100	4	8	2,500	6,012	0	0	0	0	1.3
Sault Ste. Marie	71,062	0	6	0	11,843	0	0	0	0	1.4
Boise Forte	110,000	0	11	0	8,182	0	1	0	20,000	1.0
Fond du Lac	110,000	0	18	0	6,112	0	0	0	0	1.0
Grand Portage	80,000	0	6	0	10,000	0	1	0	20,000	0.5
Leech Lake	232,900	0	10	0	10,000	0	5	0	26,580	1.0
Mille Lacs	95,000	0	18	0	4,167	0	1	0	20,000	1.0
White Earth	134,719	5	20	1,339	5,129	25	0	1,015	0	8.0
Prairie Island	12,175	0	1	0	12,175	0	0	0	0	1.0
Shakopee	12,175	12	0	1,014	0	0	0	0	0	0
Upper Sioux	12,175	0	1	0	12,175	0	0	0	0	0
Sac & Fox	100,700	0	1	0	4,700	0	3	0	32,000	5.0

1/ Menominee is using $38,072 for administration

HIP CONTRACTS - COST ANALYSIS

AREA Minneapolis

FISCAL YEAR 1983 (Jobs Bill)

Tribe (Contractor)	Amount of Contract	Number of Repairs		Average Cost of Repairs		Number of New Units		Average Cost of New Units		Tribal Employment supported by Contracts (Man-Years)
		(Cat. A)	(Cat. B)	(Cat. A)	(Cat. B)	(Cat. C)	(Cat. D)	(Cat. C)	(Cat. D)	
Bad River	$ 102,000	10	7	$2,500	$ 11,000	0	0	0	0	7.0
Red Cliff	301,500	9	9	2,500	11,000	0	5	0	$36,000	0
Menominee	282,000	0	19	0	11,000	0	2	0	36,500	21.
Bay Mills	226,000	0	21	0	10,762	0	0	0	0	17.
White Earth	275,000	0	25	0	11,000	0	0	0	0	21.
Lower Sioux	132,000	0	12	0	11,000	0	0	0	0	10.
Red Lake	432,000	0	0	0	0	0	12	0	36,000	21.
Sac & Fox	192,000	10	12	2,500	11,000	0	1	0	35,000	14.
Sault Ste. Marie	221,500	7	12	2,500	11,000	0	2	0	36,000	16.
St. Croix	166,500	1	3	1,500	7,000	0	4	0	36,000	0.
Prairie Island	132,000	0	12	0	11,000	0	0	0	0	10.
Lac du Flambeau	124,500	1	9	2,500	9,556	0	1	0	36,000	0.

HIP CONTRACTS - COST ANALYSIS

AREA Muskogee

FISCAL YEAR 1982

Tribe (Contractor)	Amount of Contract	Number of Repairs		Average Cost of Repairs		Number of New Units		Average Cost of New Units		Tribal Employment supported by Contracts (Man-Years)
		(Cat. A)	(Cat. B)	(Cat. A)	(Cat. B)	(Cat. C)	(Cat. D)	(Cat. C)	(Cat. D)	
Cherokee	$172,062	5	45	$2,500	$8,500		2		$10,000	2
Chickasaw	160,730		14		9,800					2
Eastern Shawnee	43,516									1
Seneca Cayuga	18,550	4		2,500						4
Wyandotte	9,982	15		800						2
Quapaw	40,000	28	1	800	3,500					1
Inter-Tribal	15,505	21	2	600	600					2
Osage	79,513	17	7	1,363	3,222					1.5

HIP CONTRACTS - COST ANALYSIS

AREA Muskogee

FISCAL YEAR 1983

Tribe (Contractor)	Amount of Contract	Number of Repairs (Cat. A)	Number of Repairs (Cat. B)	Average Cost of Repairs (Cat. A)	Average Cost of Repairs (Cat. B)	Number of New Units (Cat. C)	Number of New Units (Cat. D)	Average Cost of New Units (Cat. C)	Average Cost of New Units (Cat. D)	Tribal Employment supported by Contracts (Man-Years)
Chickasaw	$169,403		13		$ 9,960					2
Creek	282.590	9	18	$ 1,350	8,500					2
Cherokee	922,000		51		10,000	8		$2,500		0
Eastern Shawnee	30,038	1	4	2,000	2,000					1
Miami	11,288	3	1	2,200	2,200					0
Inter-Tribal	35,534	7		2,500						2
Quapaw	5,839	15	3	2,000	2,000					1
Seneca Cayuga	72,363	6	3	2,500	8,000					4
Wyandotte	28,425	12		2,000						2
Osage	66,123	26	9	1,649	3,992					1.5

HIP CONTRACTS - COST ANALYSIS

AREA Navajo

FISCAL YEAR 1982

Tribe (Contractor)	Amount of Contract	Number of Repairs		Average Cost of Repairs		Number of New Units		Average Cost of New Units		Tribal Employment supported by Contracts (Man-Years)
		(Cat. A)	(Cat. B)	(Cat. A)	(Cat. B)	(Cat. C)	(Cat. D)	(Cat. C)	(Cat. D)	
Navajo	$2,130,700 *	2'3	112	$2,984	$6,378		45		$17,350	115.22

(*638 Cost Excluded)

HIP CONTRACTS - COST ANALYSIS

AREA Navajo

FISCAL YEAR 1983

Tribe (Contractor)	Amount of Contract	Number of Repairs		Average Cost of Repairs		Number of New Units		Average Cost of New Units		Tribal Employment supported by Contracts (Man-Years)
		(Cat. A)	(Cat. B)	(Cat. A)	(Cat. B)	(Cat. C)	(Cat. D)	(Cat. C)	(Cat. D)	
Navajo	$1,539,900 *	129	116	$1,413	$8,259		25		$15,900	88.82
Navajo (Jobs Bill)	$4,743,000 *	49	214	3,730	14,040		61		25,125	247.15
	(*638 Cost Excluded)									

HIP CONTRACTS - COST ANALYSIS

AREA PHOENIX

FISCAL YEAR 1982

Revised 5/24/84

Tribe (Contractor)	Amount of Contract	Number of Repairs (Cat. A)	Number of Repairs (Cat. B)	Average Cost of Repairs (Cat. A)	Average Cost of Repairs (Cat. B)	Number of New Units (Cat. C)	Number of New Units (Cat. D)	Average Cost of New Units (Cat. C)	Average Cost of New Units (Cat. D)	Tribal Employment supported by Contracts (Man-Years)
White Mountain	124.1						8		15.5	1.0 CETA labor
Hopi	490.0	8	17	2.5	20.0		4		32.5	6.0
Papago	334.1						9		36.0	Subcontract
Gila River	498.5	28		1.3			22		21.0	4.5
Salt River	119.8	30		2.5			1		44.8	2.0
San Carlos	376.4 *	26		2.5			6		34.0	Subcontract
Colorado River	49.9		16		3.1					1.0
Yavapai-Prescott	188.4						3 compl+4 C.O.*		36.0	3.0
Hualapai	60.7	6		2.5			1		45.7	2.0
Havasupai	28.6	13		2.2						4.0
Yavapai(Camp Verde)	66.3						3		22.1	3.5
Ute	32.8		2		16.4					.5
Pascua Yaqui	223.9	4	6	2.5	20.0		2		45.0	9.0
Yerington	27.0	This contract for parks maintenance								.5
Washoe	60.4	This contract for operation and maintenance of streets								2.0

Note: Underlining indicates change from previous cost analysis

* At San Carlos carry-over funds to f.y. 1983

* carried over

HIP CONTRACTS - COST ANALYSIS

AREA PHOENIX AREA

FISCAL YEAR 1983

Revised 5/24/84

Tribe (Contractor)	Amount of Contract	Number of Repairs (Cat. A)	Number of Repairs (Cat. B)	Average Cost of Repairs (Cat. A)	Average Cost of Repairs (Cat. B)	Number of New Units (Cat. C)	Number of New Units (Cat. D)	Average Cost of New Units (Cat. C)	Average Cost of New Units (Cat. D)	Tribal Employment supported by Contracts (Man-Years)
JOBS BILL										
Kaibab	105.0		3		10.5		2		37.0	4.0
White Mountain	468.0		1		8.0		26		17.7	subcontract
Papago	637.5						33		19.3	subcontract
Yavapai-Prescott	180.0						5		36.0	7.0
San Carlos	637.0	18	27	2.5	2.9		16		32.0	subcontract
Fort Mojave	117.9		10		11.7					7.0
Quechan	150.5	17		2.5			3		36.0	6.5
Yerington	138.0		5	6.0			4		28.0	2.0 subcontract
REGULAR HIP										
Ak-Chin	100.0						4**		25.0	1.0 subcontract
White Mountain	124.1						12		15.9	1.0 CETA labor
Hopi	495.0	7	20	2.5	16.2		6		25.7	22.0
Papago	336.2						11		30.5	4.0
Gila River	138.1	28	26	1.5	2.8		2 starts		10.8	4.0
Salt River	55.6	45 starts		.6			1		28.9	2.0
San Carlos	99.0*						6		34.4	Subcontract
Yavapai-Prescott	170.1						4 compl + 3 str.		36.0	5.0
Hualapai	49.0	4		2.5			1 start		39.0	2.0
Havasupai	28.0	6 starts		2.5						2.0
Yavapai(Camp Verde)	78.5						2 starts		39.2	1.0
Ute	29.7	14		2.0						1.0
Pascua Yaqui	235.1***	14	6	.225	12.5		2		36.0	9.0

* At San Carlos original allotment $135.0 less $36.0 transferred from Housing to Tribal Operations Grant

**At Ak-Chin 4 starts in F.Y. 1984.

***At Pascua Yaqui $69.9 for administration.

To: Deputy Director, Office of Indian Services Tel #343-9876
Attention: Housing - Code 460 Washington, D.C.

From: Branch of Housing, Portland Area

HIP CONTRACTS - COST ANALYSIS

PORTLAND

.A. YEAR 1982

T .be : ctor)	Amount of Contract	~~HIP~~ Administration	Number of Repairs (Cat. A)	Number of Repairs (Cat. B)	Average Cost of Repairs (Cat. A)	Average Cost of Repairs (Cat. B)	Number of New Units (Cat. C)	Number of New Units (Cat. D)	Average Cost of New Units (Cat. C)	Average Cost of New Units (Cat. D)	Tribal Employment supported by Contracts (Man-Years)
Nez Perce	115,100		12	9	1,875	6,955	6		5,000		5.5
Fort Hall	248.000	37,000	2	4	2,500	20,000	2	4	5,000	38,250	8.5
Flathead	174,400	61,500	16	20	2,500	3,640					2.5
Spokane	202,342	34,766	3	33	2,000	3,744		2		19,000	20.0
Muckleshoot	85,000							2		42,500	1.2
Upper Skagit	41,940			4		7,500					1.0
Siletz	147,700	21,300	2	4	2,500	19,000	10		4,420		5.0
Colville	424,700		93	33	2,500	4,339	3		5,100		5.2

To: Deputy Director, Office of Indian Services
Attention: Housing - Code 460 Washington, D.C. #343-4876

From: Branch of Housing, Portland Area

HIP CONTRACTS - COST ANALYSIS

PORTLAND

. A . YEAR 1983

f .bu : .ctor) obs 111	Amount of Contract	HIP Administration	Number of Repairs (Cat. A)	Number of Repairs (Cat. B)	Average Cost of Repairs (Cat. A)	Average Cost of Repairs (Cat. B)	Number of New Units (Cat. C)	Number of New Units (Cat. D)	Average Cost of New Units (Cat. C)	Average Cost of New Units (Cat. D)	Tribal Employment supported by Contracts (Man-Years)
Nez Perce	82,000		10	5	2,000	12,400					7.8
Coeur d'Alene	138,000			7		10,285		2		33,000	6.6
Kalispel	27,100	2,961	17	1	1,067	6,000					1.8
Fort Hall	451,114		6	24	1,810	18,344					19.0
Makah	218,000			12		8,500		3		38,600	1.5
Jamestown	229,000	22,300		11		9,700		3		33,000	1.8
Flathead	147,318	35,761	14	11	1,300	8,487					5.8
Spokane	202,342	34,528		17		4,577		2		45,000	10.0
Muckleshoot	92,000			5		10,400		1		40,000	2.5
Lummi	77,000			7		11,000					1.8
Nisqually	65,000			6		10,800					3
Nooksack	55,000			5		11,000					2
Siletz	111,000		1	6	1,800	6,237	6		4,650		5
Colville	03,100		60	40	2,500	2,562	5		3,400		6
Kalispel	80,000			6		7,333		1		36,000	2

HIP CONTRACTS - COST ANALYSIS

AREA Sacramento

FISCAL YEAR 1983 (Jobs Bill Only - No regular HIP contracts in FY 1982 and 1983)

Tribe (Contractor)	Amount of Contract	Number of Repairs		Average Cost of Repairs		Number of New Units		Average Cost of New Units		Tribal Employment supported by Contracts (Man-Years)
		(Cat. A)	(Cat. B)	(Cat. A)	(Cat. B)	(Cat. C)	(Cat. D)	(Cat. C)	(Cat. D)	
Santa Ysabel	$254,000		10		$11,000		4		$36,000	11.0
Benton	252,000						7		36,000	3.0
Viejas	113,000		2		10,000		3		31,000	8.0
Barona	254,000		10		11,000		4		36,000	11.0
Big Sandy	177,000		3		11,000		4		36,000	6.0
Upper Lake	146,500	1		$2,500			4		36,000	
Rincon	220,000		20		11,000					7.0
LaJolla	171,000	4	8	2,500	11,000		2		36,000	6.0
Hopland	155,000		1		11,000		4		36,000	5.0
Round Valley	156,000	3	7	2,500	11,000		2		36,000	7.0
Hoopa	152,000		5		10,000		2			8.0
Laytonville	71,000	2	6	2,500	11,000					5.0
Santa Rose - Riverside	80,000		3				1		36,000	4.0
Santa Rose - Kings Co.	80,000		4		11,000		1		36,000 36,000	4.0
Coyote Valley	92,500	6	4	2,080	11,000		1		36,000	6.0
Resighini	127,000		5		11,000		2		36,000	5.0
Trinidad	147,500		7		11,000		2		36,000	6.0
Tule River	134,000	3	5	2,500	11,000		2		36,000	7.0

Attachment 3a

IRRIGATION OPERATION AND MAINTENANCE
UNPAID TRIBAL ASSESSMENTS

Current information on unpaid tribal assessments for irrigation operation and maintenance as of June 30, 1984 is shown below. As previously indicated, there have been not tribal irrigation O&M charges written off within the past five years.

Billings Area	Amount	Phoenix Area	Amount
Blackfeet	$ 32,000	Uintah & Ouray	$8,001
Crow	1,000		
Fort Belknap	14,451	Portland Area	
Fort Peck	4,160		
Wind River	111,000	Wapato*	$43,326

* This tribe pays annually in July (payment is due this month).

Attachment 3b.

Decrease for FY 1985:

(dollar amounts in thousands)

Program Element:		FY 1985 Base	FY 1985 Estimate	Difference
Irrigation O&M	($)	9,015	8,119	-896
	(FTE-T)	(10)	(10)	(—)

Irrigation & Power O&M ($-896,000): The reduction of $896,000 is a reflection of the discontinuation of payments for Category 1 projects and the anticipation of the availability of interest earnings on invested operation and maintenance collections. It is anticipated that the use of those earnings for the costs of irrigation systems on projects where the interest is earned will release some appropriated funds to be used for other systems and projects that are not capable of covering their costs from collections. Any unpaid Indian water user assessments on Category 1 projects which are not offset by earnings from investments of fund balances may be covered by increasing assessments to water users with lands currently in production.

The estimated breakdown by category for FY 1984 and 1985 appropriations is as follows:

Category	No. of Projects	Estimate FY 1984	Estimate FY 1985
1	9	$ 850.0	$ -0-
2	7	280.0	266.7
3	41	1,226.0	1,375.6
4	7	322.0	247.0
5	5	2,722.0	2,746.7
NIIP	1	3,615.0	3,483.0
	70	$9,015.0	$8,119.0

The changes in requests by category between FY 1984 and 1985 are as follows:

Category 1: The reduction reflects the discontinuation of payments from appropriated funds to Category 1 projects.

Categories 2,4, and NIIP: Slight reductions in these requests reflect self-imposed constraints with intent to require the projects to operate more efficiently and to utilize belt-tightening measures.

Category 3: The increase requested will provide minimum service to many small units. For example, the Mission Bands in Southern California are renewing agriculture production and funds are needed to assure start up of their irrigation systems.

Category 5: The slight increase requested reflects higher costs of materials and supplies used in providing services to these mandated projects.

Object Class Distribution - Minerals and Mining/Irrigation and Power Subactivity

Other services.. $ - 638,000

BIA-185 Revised

Attachment 4

BIA IRRIGATION OPERATION AND MAINTENANCE (O&M) FOR 1984 IRRIGATION SEASON

Project	Total O&M Costs	Estimated Collections	Appropriations Requested	Appropriations Provided
ALBUQUERQUE AREA				
Acoma Irrigation Project	$36,000	$0	$45,000	$36,000
Jemez Irrigation Project	36,000	0	45,000	36,000
Zia Irrigation Project	148,000	0	45,000	148,000
Cochiti Irrigation Project	28,500	0	36,500	28,500
Isleta Irrigation Project	70,000	0	88,000	70,000
Sandia Irrigation Project	62,500	0	76,000	62,500
San Felipe Irrigation Project	51,000	0	64,800	51,000
Santa Ana Irrigation Project	18,500	0	23,700	18,500
Santa Domingo Irrigation Project	51,800	0	65,200	51,800
Laguna Irrigation Project	50,000	0	49,000	50,000
Nambe Irrigation Project	21,400	0	21,000	21,400
Picuris Irrigation Project	11,500	0	7,000	11,500
Pojoaque Irrigation Project	16,000	0	5,900	16,000
San Ildefonso Irrigation Project	18,300	0	43,000	18,300
San Juan Irrigation Project	18,100	0	24,000	18,100
Santa Clara Irrigation Project	31,500	0	33,500	31,500
Taos Irrigation Project	32,100	0	48,000	32,100
Tesuque Irrigation Project	15,700	0	11,000	15,700
Mescalero Irrigation Project	10,400	0	32,300	10,400
Zuni Irrigation Project	37,700	0	30,000	37,700
Jicarilla Irrigation Project	1,000	0	1,000	1,000
Pine River Irrigation Project - So. Ute	73,764	54,564 1/	24,000	19,200
Ute Mountain Irrigation Project	13,800	0	19,500	13,800
ALBUQUERQUE AREA TOTALS:	$853,564	$54,564	$838,400	$799,000

1/ 54,564 is composed of 40,000, 1984 estimated collections and 14,564 drawn from the reserve account.

BIA IRRIGATION OPERATION AND MAINTENANCE (O&M) FOR 1984 IRRIGATION SEASON

Project	Total O&M Costs	Estimated Collections	Appropriations Requested	Appropriations Provided
BILLINGS AREA				
Blackfeet Irrigation Project	$291,154	$238,654 1/	$104,100	$57,000
Crow Irrigation Project	389,000	295,000 2/	107,000	97,120
Fort Belknap Irrigation Project	129,000	44,600 3/	59,400	67,483
Fort Peck Irrigation Project	253,864	171,159 4/	58,400	58,828
Northern Cheyenne Irrigation Project	5,700	0	5,700	4,000
Wind River Irrigation Project	352,526	307,326 5/	105,400	71,569
BILLINGS AREA TOTALS:	$1,421,244	$1,056,739	$440,000	$356,000

1/ Based on past irrigation seasons, project estimates collecting 85% of the total assessments.

2/ Based on past irrigation seasons, project estimates collecting 90% of the total assessments.

3/ Based on past irrigation seasons, project estimates collecting 68% of the total assessments. Also the difference of 8,133 between the request and the allocation is reimbursable for idle Indian lands.

4/ Based on past irrigation seasons, project estimates collecting 80% of the total assessments. The difference difference of 428 between the request and the allocation is reimbursable for idle Indian lands.

5/ Based on past irrigation seasons, project estimates collecting 80% of the total assessments.

BIA IRRIGATION OPERATION AND MAINTENANCE (O&M)
FOR 1984 IRRIGATION SEASON

Project	Total O&M Costs	Estimated Collections	Appropriations Requested	Appropriations Provided
NAVAJO AREA				
Navajo Indian Irrigation Project	$3,840,000	$0	$3,840,000	$3,320,000
NAVAJO AREA TOTALS:	$3,840,000	$0	$3,840,000	$3,320,000
PORTLAND AREA				
Fort Hall Irrigation Project	$1,563,033	$985,000	$662,800	$578,033
Wapato Irrigation Project	3,627,634	3,167,700	429,900	459,934
Warm Springs Irrigation Project	23,033	0	20,000	23,033
PORTLAND AREA TOTALS:	$5,213,700	$4,152,700	$1,112,700	$1,061,000
PHOENIX AREA				
Palo Verde Dikes	$59,000	$0	$59,000	$25,000
Fort Apache Irrigation Project	75,000	0	75,000	34,000
Chuichu Irrigation Project	2,000	0	52,000 1/	2,000
San Xavier Irrigation Project	94,500	15,000	79,500	50,000
Vaiva Vo Irrigation Project	96,000	0	96,000	50,000
Fort McDowell Irrigation Project	68,600	0	68,600	21,500
San Carlos Irrigation Project - Indian Works	2,200,000	200,000	2,000,000	1,710,000
Ak-Chin Irrigation Project	1,500,000	0	1,500,000	0
Gila Crossing Irrigation Project	57,400	0	57,400	41,500
Maricopa Colony Irrigation Project	65,000	0	65,000	44,500
San Carlos Reservation Irrigation Project	70,300	5,000	65,300	38,500 2/
Fort McDermitt Irrigation Project	27,000	0	27,000	74,240
Fallon Irrigation Project	125,000	0	125,000	94,620
Moapa Irrigation Project	6,000	0	6,000	3,450
Pyramid Lake Irrigation Project	32,000	2,853	24,900	15,490
Walker River Irrigation Project	36,000	4,030	31,200	46,550 2/
Yomba Irrigation Project	25,000	0	25,000	16,120

BIA IRRIGATION OPERATION AND MAINTENANCE (O&M)
FOR 1984 IRRIGATION SEASON

Project	Total O&M Costs	Estimated Collections	Appropriations Requested	Appropriations Provided
PHOENIX AREA - continued				
Campbell Ranch Irrigation Project	$15,000	$0	$15,000	$10,530
Summit Lake Irrigation Project	10,000	0	10,000	5,590
Washoe Ranch Irrigation Project	6,000	0	6,000	3,490
Uintah Irrigation Project	597,900	535,000	62,900	116,300 2/
Fort Yuma Irrigation Project	262,500	209,500	53,000	286,300 2/
Cocopah Irrigation Project	16,000	0	16,000	10,000
Yuma Irrigation Project	5,000	0	5,000	2,500
Duck Valley Irrigation Project	178,200	100,000	78,200	204,300 3/
South Fork Irrigation Project	18,000	0	18,000	14,500
Duckwater Irrigation Project	28,000	0	28,000	14,500
Odgers Ranch Irrigation Project	6,000	0	6,000	1,120
Goshute Irrigation Project	15,000	0	15,000	8,800
Hopi Miscellaneous	8,000	0	8,000	4,000
Kaibab Irrigation Project	8,000	0	8,000	5,000 3/
Camp Verde Irrigation Project	13,000	0	13,000	27,300 3/
Havasupai Irrigation Project	13,000	0	13,000	10,000
Hualapai Irrigation Project	4,000	0	0	11,300 4/
PHOENIX AREA TOTALS:	$5,742,400	$1,071,383	$4,712,000	$3,003,000

--Colorado River Irrigation Project, Salt River Indian Irrigation Project and the Joint Works of the San Carlos Irrigation Project collections equal the total O&M costs.

1/ For the 1984 irrigation season the 421 acres on this air-pump project are idle, if the project was producing the power costs would be the normal $50,000 plus the $2,000 for pump maintenance and general clean-up.

2/ These projects experienced flood damages, consequently their requests were exceeded.

3/ For the 1984 irrigation season, major equipment purchases were needed.

4/ The allocation exceeding the request was due to the replacement of concrete field structures.

BIA IRRIGATION OPERATION AND MAINTENANCE (O&M)
FOR 1984 IRRIGATION SEASON

Project	Total O&M Costs	Estimated Collections	Appropriations Requested	Appropriations Provided
SACRAMENTO AREA				
Hoopa Valley Irrigation Project	$40,000	$0	$40,000	$40,000
Northern California Miscellaneous	40,000	0	40,000	40,000
Pala Irrigation Project	41,000	0	41,000	33,250
Rincon Irrigation Project	41,000	0	41,000	33,250
Morongo Irrigation Project	41,000	0	41,000	15,834
Southern California Miscellaneous	15,000	0	15,000	12,666
SACRAMENTO AREA TOTALS:	$218,000	$0	$218,000	$175,000
GRAND TOTALS:	$17,288,908	$6,335,386	$11,161,100	$8,714,000

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
INTEREST EARNED ON IRRIGATION AND POWER PROJECTS
(Amounts as of March 31 that have been distributed)

IRRIGATION ACCOUNTS

Area and Project	Amount	Area Total
ALBUQUERQUE		
Pine River	$ 4,484.32	$ 4,484.32
BILLINGS		
Blackfeet	6,066.86	
Crow	(4,055.10)*	
Fort Belknap	5,788.32	
Fort Peck	(1,852.79)*	
Wind River	10,218.74	16,166.03
PHOENIX		
Colorado River	15,528.65	
Fort Apache	213.42	
Chuichu)		
San Xavier)**	10,230.80	
Salt River	4,082.56	
San Carlos Indian Works	27,168.09	
San Carlos)		
Flood damage repairs)	1,706.82	
Pyramid Lake)		
Walker River)		
Carson, Misc.)**	(1,264.09)	
Uintah & Ouray	27,490.99	
Fort Yuma	(2,287.12)	
Duck Valley	(609.71)	
San Carlos Project Joint Works	36,058.93	118,319.34

*Projects for which net cash for the period was in overdraft and interest was charged.

Irrigation - continued

PORTLAND		
Klamath-Sand Creek	12.34	
Colville - Monse	333.09	
Colville - Nespelem	750.72	
Hall Creek - Twin Lakes	37.88	
Fort Hall - Michaud)		
Fort Hall Project)		
Fort Hall - Minor units) **	86,997.03	
Wapato - Satus)		
Ahtanum)		
Toppenish - Simcoe)		
Wapato Additional Works) **	78,441.10	
Warm Springs	1,600.14	
Wapato - Satus	33,123,54	
Flathead	41,940.82	243,236.66
GRAND TOTAL - Irrigation		$382,206.35
POWER PROJECTS		
Flathead	32,816.77	
Colorado River	86,107.49	
San Carlos	114,143.35	$233,067.61
GRAND TOTAL - Power		$233,067.61

**Projects where the cash balance for each individual activity is not available in the system. When identified, amounts will be reallocated to individual activity.

BUREAU OF INDIAN AFFAIRS Attachment 5

Tribe/Agency Law Enforcement Funding by Location ($000)

Tribe/Agency Location Name	Planning Base	1985 Request	Tribe/Agency Location Name	Planning Base	1985 Request
Flandreau	34.0	42.0	Hopi	761.8	788.3
Trenton	16.3	16.3	Truxton Canon	275.0	275.0
Cheyenne River	613.0	613.0	Hualapai	202.4	201.4
Fort Berthold	538.2	455.0	Yavapai-Apache	0.0	28.0
Fort Totten	382.1	400.0	Tonto-Apache	0.0	15.0
Pine Ridge	1,699.3	1,699.3	Havasupai	0.0	2.0
Rosebud	642.4	633.1	Kaibab/Paiute	28.5	29.7
Yankton	142.5	142.5	Moapa	40.1	50.0
Sisseton	199.3	199.3	Las Vegas Colony	0.0	5.4
Standing Rock	664.6	646.4	Phoenix Fld Opers	26.0	30.0
Turtle Mountain	446.6	490.0	Tule River	48.0	50.0
Winnebago	322.3	369.1	Hoopa-Yurok	395.0	395.0
Crow Creek	296.6	332.4	Southern Pueblos	862.2	862.2
Lower Brule	294.9	294.9	Laguna	298.5	300.0
Kickapoo	37.0	50.0	Northern Pueblos	730.5	698.5
Potawatomi	19.5	0.0	Southern Ute	214.7	214.7
Concho	113.5	141.8	Ute Mountain Ute	387.8	381.8
Anadarko	110.3	93.7	Jicarilla	88.9	88.9
Pawnee	274.5	394.5	Mescalero	385.0	405.6
Shawnee	122.8	72.5	Zuni Pueblo	604.5	604.5
Anadarko Fld Opers	76.8	65.3	Ramah Navajo	224.3	224.3
Blackfeet	599.1	589.9	Navajo Fld Opers	3,741.0	3,794.9
Crow	585.5	585.5	Shiprock	171.4	162.9
Fort Belknap	370.4	369.8	Western Navajo	169.7	169.8
Fort Peck	522.3	542.3	Eastern Navajo	147.9	147.9
Northern Cheyenne	454.1	447.3	Chinle	138.6	138.6
Wind River	507.4	507.4	Fort Defiance	217.5	217.5
Rocky Boys	198.4	200.0	Colville	0.0	24.5
Red Lake	669.1	669.1	Fort Hall	439.1	514.1
Minnesota	342.3	291.8	Coeur D' Alene	111.2	111.2
Great Lakes	2.5	2.5	Nez Perce	222.2	222.2
Menominee	568.8	568.8	Kootenai	27.8	27.8
Michigan	546.3	538.7	Olympic Peninsula	491.0	491.0
Okmulgee	150.0	0.0	Umatilla	421.0	421.0
Wewoka	100.3	0.0	Warm Springs	134.9	124.8
Pascua-Yaqui	26.0	26.0	Burns Paiute	97.7	90.0
Colorado River	460.5	507.3	Puget Sound	513.5	513.5
Fort Apache	612.8	618.0	Yakima	360.3	339.7
Papago	890.6	890.6	Spokane	233.6	233.6
Fort McDowell	139.4	139.4	Flathead	306.1	306.1
Salt River	439.5	439.5	Metlakatla	173.9	173.9
Pima	746.4	828.6	Indian Township	129.1	129.1
San Carlos	753.5	743.5	Pleasant Point	123.6	148.0
Western Nevada	675.3	674.3	Penobscot	163.8	163.8
Uintah and Ouray	311.9	318.0	Cherokee	46.7	46.7
Fort Yuma	223.8	147.8	Seminole	174.5	174.5
Duck Valley	275.0	245.9	Miccosukee	295.9	295.9
Eastern Nevada	280.5	280.5	Choctaw	392.6	392.6

Attachment 6

FY 1980 - ON RESERVATION GRANTEES	ACTUAL FUNDINGS
Absentee Shawnee Sac & Fox Tribes Route 5, Box 144 Shawnee, Oklahoma 74801	$ 36,228
Allen Canyon Ute Council White Mesa Community P.O. Box 916 Blanding, Utah 84511	$ 15,000
Arapahoe Tribe Wind River Agency Fort Washakie, Wyoming	$ 16,384
Chehalis Tribe P.O. Box 536 Oakville, Washington 98568	$ 15,000
Colville Tribe P.O. Box 150 Nespelem, Washington 99116	$ 17,595
Coushatta Tribe of Louisiana P.O. Box 100 Elton, Louisiana 70532	$ 28,840
Eight Northern Indian Pueblos Council, Inc. P.O. Box 969 San Juan Pueblo, New Mexico 87566	$ 16,557
Elem Indian Colony P.O. Box 618 Clearlake, California 95423	$ 15,000
Kaw Tribe P.O. Box 710 Ponca City, Oklahoma 74601	$ 15,000
Kootenai Tribe P.O. Box 1183 Bonners Ferry, Idaho 83805	$ 15,000
Lower Sioux Indian Community Route 1, Box 153A Morton, Minnesota 56270	$ 15,000
Minnesota Chippewa Tribe P.O. Box 217 Cass Lake, Minnesota 56633	$ 85,899
Pauma Indian Reservation LaJolla Indian Reservation P.O. Box 86 Pauma Valley, California 92061	$ 30,000

Iowa of Kansas & Nebraska Potawatomie Administration Office P.O. Box 8 Holton, Kansas 66436	$ 60,000
Prairie Island Indian Community Route 2 Welch, Minnesota 55089	$ 16,038
Santee Sioux Tribe of North Nebraska RR 2 Niobrara, Nebraska 68760	$ 17,768
Shakopee Mdewakanton Sioux Route 1, Box 296 Shakopee, Minnesota 55379	$ 16,038
Susanville Indian Rancheria P.O. Box 754 Susanville, California 96130	$ 15,000
Tonkawa Tribe of Oklahoma P.O. Box 86 Tonkawa, Oklahoma	$ 15,000
United Native Indian Tribes, Inc. 3148 Cascade Blvd. Redding, California 96001	$ 15,000
Warm Springs Tribe Warm Springs, Oregon 97761	$ 16,557
Three Affiliated Tribes Fort Berthold Agency Box 806 New Town, North Dakota 58763	$ 18,800
Sisseton-Wahpeton Sioux Tribe Human Services Department Sisseton, South Dakota 57262	$ 37,600
Cheyenne River Sioux Tribe P.O. Box 590 Eagle Butte, South Dakota 57625	$ 28,750
Winnebago Tribe of Nebraska Community Services P.O. Box 626 Winnebago, Nebraska 68071	$ 15,000
Devil's Lake Sioux Tribe Fort Totten, North Dakota 58335	$ 18,633
Omaha Tribe of Nebraska P.O. Box 399 Macy Nebraska 68039	$ 25,899
Crow Creek Child Protection Team P.O. Box 657 Fort Thompson, South Dakota 57339	$ 34,722

Rosebud Sioux Tribe Rosebud, South Dakota 57570	$ 21,574
Lower Brule Sioux Tribe P.O. Box M Lower Brule, South Dakota 57548	$ 35,207
Oglala Sioux Tribe P.O. Box 308 Pine Ridge, South Dakota 57770	$ 94,061
Yankton Sioux Tribe RR 3 Wagner, South Dakota 57380	$ 30,928
Nambe Pueblo Route 1, Box 117BB Nambe Pueblo, New Mexico 87022	$ 22,785
Southern Ute Tribe Tribal Affairs Building P.O. Box 737 Ignacio, Colorado 81137	$ 18,806
Ramah Navajo School Board, Inc. P.O. Drawer A Pinehill, New Mexico 87321	$ 23,477
Cheyenne-Arapaho Tribes of Oklahoma Box 38 Concho, Oklahoma 73022	$ 34,722
Kickapoo of Oklahoma P.O. Box 58 McLoud, Oklahoma 74851	$ 19,532
Otoe-Missouria Tribe P.O. Box 68 Red Rock, Oklahoma 74651	$ 15,000
Kiowa Tribe of Oklahoma P.O. Box 361 Carnegie, Oklahoma 73015	$ 15,000
Iowa Tribe of Oklahoma P.O. Box 190 Perkins, Oklahoma 74059	$ 15,000
Fort Sill Apache Tribe of Oklahoma Route 2, Box 121 Apache, Oklahoma 73006	$ 15,000
Ponca Tribe of Oklahoma Box 2 - White Eagle Ponca City, Oklahoma 74601	$ 15,000
Comanche Tribe of Oklahoma P.O. Box 908 Lawton, Oklahoma 73502	$ 15,000

Apache Tribe of Oklahoma P.O. Box 1220 Anadarko, Oklahoma 73005	$ 15,000
Assiniboine & Sioux Tribes P.O. Box 1027 Popular, Montana 59255	$ 17,076
Blackfeet Tribe P.O. Box 850 Browning, Montana 59417	$ 16,557
Shoshone and Arapahoe Joint Business Council P.O. Box 217 Fort Washakie, Wyoming 82514	$ 16,384
Confederated Salish and Kootenai Tribes P.O. Box 278 Pablo, Montana 59855	$ 16,903
Crow Tribe of Indians P.O. Box 159 Crow Agency, Montana 59022	$ 16,730
Eastern Cherokee Indians P.O. Box 455 Cherokee, North Carolina 28719	$ 36,452
Seneca Nation of Indians Haley Building P.O. Box 231 Salamanca, New York 14779	$ 15,000
St. Regis Mohawk Tribe St. Regis Mohawk Health Services Community Building Hogansburg, New York 13655	$ 17,941
Pleasant Point Passamaquoddy Reservation P.O. Box 343 Perry, Maine 04667	$ 18,150
Miccosukee Tribe of Indians of Florida P.O. Box 40021 Miami, Florida	$ 13,526
Mississippi Band of Choctaw Indians Route 7, Box 21 Philadelphia, Mississippi 39350	$ 31,435
Central Council of Tlingit and Haida Indians of Alaska One Sealaska Plaza, Suite 200 Juneau, Alaska 99801	$171,582
North Pacific Rim 903 West Northern Lights Anchorage, Alaska 99503	$ 19,844

United Crow Band, Inc. P.O. Box 131 Tok, Alaska 99780	$ 32,100
Upper Sioux Indian Community Route 2 Granite Falls, Minnesota 56241	$ 16,038
Lac Courte Oreilles Band of Lake Superior Chippewa Route 2 Hayward, Wisconsin 54843	$ 16,038
Red Cliff Band of Lake Superior Chippewas P.O. Box 529 Bayfield, Wisconsin 54814	$ 15,000
Stockbridge-Munsee Community Tribal Council Route 1 Bowler, Wisconsin 54416	$ 16,038
Menominee Indian Tribe of Wisconsin P.O. Box 397 Keshens, Wisconsin 54135	$ 20,363
Wisconsin Winnebago Tribe 150 Market Avenue Port Edwards, Wisconsin 54469	$ 16,038
Sokaogon Chippewa Community Route 1, Box 625 Crandon, Wisconsin 54520	$ 16,038
St. Croix Chippewa Tribe Star Route Webster, Wisconsin 54893	$ 16,038
Sault Ste. Marie Tribe of Chippewa 2151 Shunk Road Sault Ste. Marie, Michigan 49783	$ 16,038
Oneida Tribe of Indian of Wisconsin Box 365 Oneida, Wisconsin 54155	$ 17,076
Sac and Fox Tribe of the Mississippi of Iowa Route 2, Box 56-C Tama, Iowa 52339	$ 16,038
Bois Forte Reservation P.O. Box 698 Nett Lake, Minnesota 55772	$ 16,038
Bad River Band of Lake Superior Chippewa Route 2, Box 400 Ashland, Wisconsin 54806	$ 16,038
Lac du Flambeau Band of Lake Superior Chippewa P.O. Box 67 La du Flambeau, Wisconsin 54538	$ 16,038

Forest County Potawatomi Community P.O. Box 346 Crandon, Wisconsin 54520	$ 15,735
Bay Mills Indian Community RR 1, Box 313 Brimley, Michigan 49715	$ 15,519
Creek Nation of Oklahoma P.O. Box 580 Okmulgee, Oklahoma 74447	$ 22,612
Choctaw Nation of Oklahoma Drawer 1210 Durant, Oklahoma 74701	$ 25,899
Chickasaw Nation of Oklahoma P.O. Box 1548 Ada, Oklahoma 74820	$ 17,736
Cherokee Nation of Oklahoma P.O. Box 948 Tahlequah, Oklahoma 74465	$ 40,604
Seminole Nation of Oklahoma P.O. Box 979 Wewoka, Oklahoma 74884	$ 18,806
Navajo Tribe Window Rock, Arizona 86515	$ 47,005
Salt River Pima-Maricopa Indian Community Route 1, Box 216 Scottsdale, Arizona 85256	$ 16,730
Fort McDowell Mohave-Apache Indian Community P.O. Box 17779 Fountain Hills, Arizona 85268	$ 15,519
Yavapai-Prescott Indian Tribe P.O. Box 348 Prescott, Arizona 86302	$ 15,692
San Carlos Apache Tribe P.O. Box 0 San Carlos, Arizona 85550	$ 23,477
Pyramid Lake Paiute Tribe P.O. Box 256 Nixon, Nevada 89424	$ 17,422
Yerrington Paiute Tribe 171 Campbell Lane Yerrington, Nevada 89447	$ 17,595
Unitah & Ouray Ute Indian Tribe P.O. Box 190 Fort Ducheshe, Utah 94026	$ 17,595

Fort McDermitt Paiute Shoshone Tribe P.O. Box 457 McDermitt, Nevada 89421	$ 19,325
White Mountain Apache Tribe P.O. Box Whiteriver, Arizona 85941	$ 8,666
Squaxin Island Tribe Route 1, Box 257 Shelton, Washington 98584	$ 15,346
United Indians of All Tribes Foundation P.O. Box 99253 Seattle, Washington 98199	$ 16,211
Makah Tribe MHEW Department P.O. Box 115 Neah Bay, Washington 98357	$ 19,498
Skokomish Tribe RR 5, Box 432 Shelton, Washington 99040	$ 15,692
Muckleshoot Tribe 39015 172nd Avenue, S.E. Auburn, Washington 98002	$ 28,148
Siletz Tribe P.O. Box 385 Siletz, Oregon 97380	$ 14,814
Puyallup Tribe 2209 East 32nd Street Tacoma, Washington 98404	$ 16,038
Shoshone-Bannock Tribe Tribal Health Department P.O. Box 306 Fort Hall, Idaho 83203	$ 16,038
Sauk-Suiattle Tribe P.O. Box 678 Darrington, Washington 98241	$ 15,692
Lummi Tribe 2616 Kwina Road Bellingham, Washington 98225	$ 15,000
Coeur d' Alene Indian Tribe Plummer, Idaho 83851	$ 15,000
Bridgeport Indian Reservation P.O. Box 1296 Bishop, California 93514	$ 91,393

Grindstone Indian Rancheria 2220 Watt Avenue Sacramento, California 95821	$ 60,000
Hoopa Valley Indian Health Association P.O. Box 817 Hoopa, California 95546	$ 30,000
Tule River Indian Reservation P.O. Box 589 Porterville, California 93257	$ 15,000
Pit River Tribal Council P.O. Box Drawer 1570 Burney, California 96012	$ 15,000
Fort Belknap Community Council Harlem, Montana 59526	$ 16,903
Tanana Chief Conference 201 First Avenue Fairbanks, Alaska 99701	$634,227
Bristol Bay Native Association P.O. Box 189 Dillingham, Alaska 99576	$237,065

FY 1980 - OFF-RESERVATION GRANTEES	ACTUAL FUNDINGS
Admiralty Citizens Council, Inc. Angoon, Alaska	$ 15,000
Aleutian Pribilof Island Association, Inc. 1689 C. Street Anchorage, Alaska 99501	$120,000
American Indian Center of Dallas 1314 Munger Blvd. Dallas, Texas 75206	$ 15,000
California Tribal Chairmen's Association 1540 River Park, Suite 214 Sacramento, California 95815	$180,000
Copper River Native Association Drawer H Copper Center, Alaska 99573	$110,015
Indian Resources Development Council of California 2235 Park Towne Circle Sacramento, California 95825	$180,000
Kodiak Area Native Association Kodiak, Alaska	$ 22,785
Kotzebue IRA Council Kotzebue, Alaska	$ 13,753
Leelanau Indians, Inc. P.O. Box 37 Suttons Bay, Michigan 49682	$ 15,000
Manuelak Association P.O. Box 256 Kotzebue, Alaska 99752	$ 30,051
Michigan Inter-Tribal Council 405 E. Easterday Avenue Sault Ste. Marie, Michigan 49783	$ 50,363
Minneapolis Regional Native American Center 1530 E. Franklin Avenue Minneapolis, Minnesota 55404	$ 20,363
Modoc Indian Health Project P.O. Box 251 Alturas, California 96101	$ 27,399
National American Indian Court Judges Association 1000 Connecticut Avenue, N.W., Suite 401 Washington, D.C. 20036	$ 16,211
North American Indian Cultural Center, Inc. 1604 Spencer Avenue Akron, Ohio 44306	$ 17,422

Sitka Community Association Federal Indian Tribe P.O. Box 4360 Mt. Edgecumbe, Alaska 99835	$ 23,131
Tuolume Me-Wuk Tribal Council P.O. Box 696 Tuolume, California 95379	$ 15,000
Urban Indian Council P.O. Box 3198 Portland, Oregon 97208	$ 15,000
Ute Paiute Tribal Corp., Inc. P.O. Box 40 Kanosh, Utah 84637	$ 18,988
United Sioux Tribes of South Dakota Development Box 1193 Pierre, South Dakota 57501	$ 34,376
Native American Center 2830 South Robinson Oklahoma City, Oklahoma 73109	$ 27,500
Indian Center of Topeka, Inc. 407 West Lyman Road Topeka, Kansas 66608	$ 15,000
Montana United Indian Association 846 Front Street Helena, Montana 59601	$ 16,730
Boston Indian Council 105 South Huntington Jamaica Plain Boston, Massachusetts 02130	$ 29,305
North American Indian Club of Syracuse and Vicinity, Inc. P.O. Box 851 Syracuse, New York 13201	$ 16,557
American Indian Cultural Center of Mid-America 4648 Gravois Avenue St. Louis, Missouri 63116	$ 14,996
Heart of America Indian Center, Inc. 1340 East Admiral Blvd. Kansas City, Missouri	$ 49,258
The Association of Aroostook Indians 22 Bowdoin Street P.O. Box 223 Houlton, Maine 04730	$ 15,519

Little Indian Center Box H - 1263 Haskell Indian Junior College Lawrence, Kansas 66044	$ 17,076
Fairbanks Native Association 310 First Avenue Fairbanks, Alaska 99701	$ 24,905
Hawaii Council American Indian Nations Association 3260 Valena Street Honolulu, Hawaii 96819	$ 22,266
Michigan Indian Legal Services, Inc. 160 East State Street Traverse City, Michigan 49684	$ 20,363
Milwaukee Indian Health Board 930 North 27th Street Milwaukee, Wisconsin 53208	$ 16,038
Upper Midwest American Indian Center 1113 West Broadway Minneapolis, Minnesota 55411	$ 17,076
Michigan Indian Child Welfare Agency P.O. Box 537 1871 Shunk Road Sault Ste. Marie, Michigan 49783	$ 20,363
Indian Youth of America, Inc. P.O. Box 2786 Sioux City, Iowa 55106	$ 22,785
Grand Rapids Inter-Tribal Council 45 Lexington N.W. Grand Rapids, Michigan 49504	$ 17,076
St. Paul American Indian Center 1001 Payne Avenue St. Paul, Minnesota 55101	$ 20,363
Indian Health Care Resource Center of Tulsa, Inc. P.O. Box 184 Tulsa, Oklahoma 74119	$ 15,764
Native American Coalition of Tulsa, Inc. 6539 East 31st Street Tulsa, Oklahoma 74145	$ 15,000
Native Americans for Community Action, Inc. Flagstaff Indian Center 15 N. San Francisco Street P.O. Box 572 Flagstaff, Arizona 86002	$ 36,452
Phoenix Indian Center, Inc. 3302 North 7th Street Phoeniz, Arizona 85014	$ 21,574

Seattle Indian Center 121 Stewart Street Seattle, Washington 98101	$ 18,287
Northwest Inter-Tribal Court System Juvenile Unit 1729 Reservation Road Box 676 LaConner, Washington 98257	$245,913
Tacoma Indian Center 3602 McKinley Avenue Tacoma, Washington 98404	$ 15,519
Indian Nurses of California, Inc. Urban Indian Child Resources Center 390 Euclid Avenue Oakland, California 94610	$149,268
Fresno American Indian Council 5150 N. Sixth Street, Suite 169 Fresno, California 93710	$ 69,841
Indian Center, Inc. 1115 W. Washington Blvd. Los Angeles, California 90015	$ 73,750
Community Action for the Urbanized American Indians, Inc. 229 Valencia Street San Francisco, California 94103	$ 97,207

FY 1981 - ON RESERVATION GRANTEES	ACTUAL FUNDINGS
Cheyenne River Sioux Tribe P.O. Box 590 Eagle Butte, South Dakota 57625	$ 34,991
Crow Creek Sioux Tribe P.O. Box 657 Fort Thompson, South Dakota 57339	$ 52,082
Devil's Lake Sioux Fort Totten, North Dakota 58335	$ 36,043
Flandreau Santee-Sioux Tribe P.O. Box 292 Flandreau, South Dakota	$ 40,250
Lower Brule Sioux Tribe P.O. Box M Lower Brule, South Dakota 57548	$ 29,996
Oglala Sioux Children's Village P.O. Box 308 Pine Ridge, South Dakota 57770	$ 32,625
Omaha Tribe of Nebraska P.O. Box 399 Macy, Nebraska 68039	$ 29,733
Rosebud Sioux Tribe Rosebud, South Dakota 57570	$ 52,345
Sisseton-Wahepton Sioux Tribe Human Services Department Sisseton, South Dakota 57262	$ 47,875
Standing Rock Sioux Tribe Tribal Office Building Fort Yates, North Dakota 58538	$ 34,991
Three Affiliated Tribes Fort Berthold Agency Box 806 New Town, North Dakota 58763	$ 31,836
Turtle Mountain Band of Chippewa Indians Turtle Mountain Tribal Council Belcourt, North Dakota 58316	$ 32,625
Yankton Sioux Tribe RR# 3 Wagner, South Dakota 57380	$ 31,573
Eight Northern Indian Pueblo Council, Inc. P.O. Box 969 San Juan Pueblo, New Mexico 87566	$102,399

Mescalero Apache Tribe P.O. Box 176 Mescalero, New Mexico 87004	$ 26,578
Nambe Pueblo Route 1, Box 117BB Nambe Pueblo, New Mexico 87501	$ 26,315
Pueblo of Isleta P.O. Box 317 Isleta, New Mexico 87022	$ 28,155
Pueblo of Laguna P.O. Box 194 Laguna, New Mexico 87026	$ 27,103
Pueblo of Picuris P.O. Box 176 Penasco, New Mexico 87553	$ 25,788
Pueblo of Pojoaque Route 1, Box 71 Santa Fe, New Mexico 87501	$ 26,315
Ramah Navajo School Board, Inc. P.O. Drawer A Pinehill, New Mexico 87321	$ 28,155
Six Sandoval Indian Pueblos, Inc. P.O. Box 580 Bernalillo, New Mexico 87004	$ 80,647
Apache Tribe of Oklahoma P.O. Box 1220 Anadarko, Oklahoma 73005	$ 25,000
Caddo Tribe of Oklahoma P.O. Box 487 Binger, Oklahoma 73009	$ 25,000
Cheyenne-Arapaho Tribes of Oklahoma Box 38 Concho, Oklahoma 73022	$ 20,000
Citizen Band Potawatomi Indians of Oklahoma Route 5, Box 151 Shawnee, Oklahoma 74801	$ 25,000
Delaware Tribe of Western Oklahoma P.O. Box 825 Anadarko, Oklahoma 73005	$ 26,841
Fort Sill Apache Tribe Route 2, Box 121 Apache, Oklahoma 73006	$ 25,000

Four Tribes of Kansas Box 8 Holton, Kansas 66436	$104,470
Iowa Tribe of Oklahoma P.O. Box 190 Perkins, Oklahoma 74059	$ 28,155
Kickapoo Tribe of Oklahoma P.O. Box 58 McLoud, Oklahoma 74851	$ 30,785
Kiowa Tribe of Oklahoma P.O. Box 361 Carnegie, Oklahoma 73015	$ 30,522
Otoe-Missouri Tribe of Oklahoma P.O. Box 68 Red Rock, Oklahoma 74651	$ 27,629
Pawnee Tribe of Oklahoma P.O. Box 470 Pawnee, Oklahoma 74058	$ 27,629
Ponca Tribe of Oklahoma Box 2 - White Eagle Ponca City, Oklahoma 74601	$ 32,362
Shawnee Tribe Box 144 Shawnee, Oklahoma 74801	$ 58,537
Tonkawa Tribe of Oklahoma Box 86 Tonkawa, Oklahoma 74653	$ 25,000
Wichita Tribe of Oklahoma P.O. Box 729 Anadarko, Oklahoma 73005	$ 28,155
Assiniboine & Sioux Tribes P.O. Box 1027 Popular, Montana 59255	$ 34,466
Blackfeet Tribe P.O. Box 850 Browning, Montana 59417	$ 31,573
Chippewa-Cree Tribe Box Elder, Montana 59521	$ 31,836
Confederated Salish and Kootenai Tribes P.O. Box 278 Pablo, Montana 59855	$ 25,000
Crow Tribe of Indians P.O. Box 159 Crow Agency, Montana 59022	$ 37,884

Fort Belknap Indian Community Council Box 249 Harlem, Montana 59526	$ 31,047
Northern Cheyenne Tribe Box 128 Lame Deer, Montana 59043	$ 34,203
Shoshone & Arapahoe Joint Business Council P.O. Box 217 Fort Washakie, Wyoming 82514	$ 36,569
Eastern Band of Cherokee P.O. Box 455 Cherokee, North Carolina 28719	$ 27,366
Indian Township Tribal Government P.O. Box 301 Princeton, Maine 04668	$ 23,000
Mississippi Band of Choctaw Indians Route 7, Box 21 Philadelphia, Mississippi 39350	$ 52,345
Penobscot Indian Nation Department of HHS Box 561 Old Town, Maine 04465	$ 46,298
Pleasant Point Passamaquoddy Reservation P.O. Box 343 Perry, Maine 04667	$ 35,000
Seneca Nation of Indians Haley Building P.O. Box 231 Salamanca, New York 14779	$ 30,259
St. Regis Mohawk St. Regis Mohawk Health Services Community Building Hogansburg, New York 13655	$ 29,207
Central Council of Tlingit and Haida Indians of Alaska One Sealaska Plaza, Suite 200 Juneau, Alaska 99801	$300,000
Fairbanks Native Association, Inc. 310 1/2 1st Avenue Fairbanks, Alaska 99701	$ 32,625
Inupiat Community of the Arctic Slope P.O. Box 437 Barrow, Alaska 99723	$162,095
Ketchikan Indian Corp. P.O. Box 6855 Ketchikan, Alaska 99901	$ 29,470

Kodiak Area Native Association P.O. Box 172 Kodiak, Alaska	$150,000
Kuskokwim Native Association P.O. Box 106 Aniak, Alaska 99557	$155,522
Metlakatla Indian Corporation P.O. Box 8 Metlakatla, Alaska 99926	$ 25,000
North Pacific Rim 903 West Northern Lights Anchorage, Alaska 99503	$157,625
Sitka Community Association P.O. Box 4360 Mt. Edgecumbe, Alaska 99835	$ 29,470
Tanana Chiefs Conference, Inc. 201 First Avenue Fairbanks, Alaska 99701	$250,000
Bad River Band of Lake Superior Chippewa Route 2, Box 400 Ashland, Wisconsin 54806	$ 26,578
Bay Mills Indian Community RR 1, Box 313 Brimley, Michigan 49715	$ 31,836
Bois Forte Reservation P.O. Box 698 Nett Lake, Minnesota 55772	$ 31,047
Fond du Lac Reservation 105 University Road Cloquet, Minnesota 55720	$ 31,047
Forest County Potawatomi P.O. Box 346 Crandon, Wisconsin 54520	$ 24,988
Grand Portage Reservation Business Committee P.O. Box 428 Grand Portage, Minnesota 55605	$ 27,366
Grand Traverse Band of Ottawa and Chippewa 118 Suttons Bay Michigan 49682	$ 29,996
Inter-Tribal Council of Michigan 405 E Easterday Sault Ste. Marie, Michigan 49783	$ 82,625

Lac du Flambeau Tribal Council P.O. Box 67 Lac du Flambeau, Wisconsin 54538	$ 35,393
Leech Lake Reservation P.O. Box 308 Cass Lake, Minnesota 56633	$ 40,250
Lower Sioux Indian Community Rt. 1, Box 153A Morton, Minnesota 56270	$ 25,000
Menominee Indian Tribe of Wisconsin P.O. Box 397 Keshena, Wisconsin 54135	$ 30,522
Mille Lacs Reservation Business Committee Star Route Onamia, Minnesota 56359	$ 29,470
Minnesota Sioux Tribe Box 160, Sioux Trail Prior Lake, Minnesota 55372	$ 53,944
Oneida Tribe of Indian of Wisconsin Box 365 Oneida, Wisconsin 54155	$ 58,151
Red Cliff Band of Lake Superior Chippewas P.O. Box 529 Bayfield, Wisconsin 54814	$ 35,517
Red Lake Band of Chippewa Red Lake, Minnesota 56671	$ 30,259
Sac & Fox of the Mississippi in Iowa Route 2, Box 56-C Tama, Iowa 52339	$ 29,470
Sault Ste. Marie Tribe of Chippewa 2151 Shunk Road Sault Ste. Marie, Michigan 49783	$ 29,207
Sokoagon Chippewa Community Tribal Council Route 1, Box 625 Crandon, Wisconsin 54520	$ 25,000
St. Croix Chippewa Tribe Star Route Webster, Wisconsin 54893	$ 29,470
Stockbridge-Munsee Community Tribal Council Route One Bowler, Wisconsin 54416	$ 32,000
Upper Sioux Community Route 2 Granite Falls, Minnesota 56241	$ 27,103

White Earth Reservation P.O. Box 418 White Earth, Minnesota 56591	$ 32,625
Wisconsin Winnebago Business Committee 150 Market Avenue Port Edwards, Wisconsin 54469	$ 29,206
Cherokee Nation of Oklahoma P.O. Box 948 Tahlequah, Oklahoma 74465	$ 70,487
Chickasaw Nation of Oklahoma P.O. Box 1548 Ada, Oklahoma 74820	$ 39,489
Choctaw Nation of Oklahoma Drawer 1210 Durant, Oklahoma 74701	$ 32,625
Muskogee Nation of Oklahoma (Creek) P.O. Box 1114 Okmulgee, Oklahoma	$ 33,733
Seminole Nation of Oklahoma P.O. Box 979 Wewoka, Oklahoma 74884	$ 32,625
Navajo Tribe-Farmington Inter-Tribal Indian Organization Window Rock, Arizona 86515	$250,000
Cocopah Indian Tribe P.O Bin G Somerton, Arizona 85350	$ 22,970
Fort McDermitt Paiute Shoshone Tribe P.O. Box 457 McDermitt, Nevada 89421	$ 27,892
Fort McDowell Mohave Apache Indian Community P.O. Box 17779 Fountain Hills, Arizona 85268	$ 26,315
Fort Mohave Indian Tribe P.O. Box 888 Needles, California 92363	$ 25,000
Gila River Indian Community P.O. Box 427 Sacaton, Arizona 85247	$ 27,892
Hualapai Indian Tribe P.O. Box 168 Peach Springs, Arizona 86434	$ 26,149
Pyramid Lake Paiute Tribe P.O. Box 256 Nixon, Nevada 89424	$ 26,578

Salt River Pima-Maricopa Indian Community Route 1, Box 216 Scottsdale, Arizona 85256	$ 29,732
San Carlos Apache Tribe P.O. Box 0 San Carlos, Arizona 85550	$ 23,000
Unitah & Ouray Ute Indian P.O. Box 190 Ft. Duchesne, Utah 94026	$ 28,681
Washoe Tribe of Nevada & California Route 2, Box 68 Gardnerville, Nevada 89410	$ 27,366
White Mountain Apache P.O. Box 1089 Whiteriver, Arizona 85941	$ 33,413
Yavapai Prescott Indian Tribes P.O. Box 348 Prescott, Arizona 86302	$ 25,000
Yerrington Paiute Tribe 171 Campbell Lane Yerrington, Nevada 89447	$ 26,578
Coeur d'Alene Tribal Council Plummer, Idaho 83851	$ 25,000
Confederated Tribes of Siletz Indians of Oregon P.O. Box 385 Siletz, Oregon 97380	$ 25,316
Confederated Tribes of the Umatilla Indian Reservation P.O. Box 638 Pendleton, Oregon 97801	$ 20,000
Hoh Indian Tribe Hoh Tribal Business Committee Star Route 1, Box 917 Forks, Washington 98331	$ 25,526
Lummi Business Council 2616 Kwina Road Bellingham, Washington 98225	$ 28,681
Makah Indian Tribe MHEW Department P.O. Box 115 Neah Bay, Washington 98357	$ 25,000
Muckleshoot Indian Tribe 39015 172nd Avenue SE Auburn, Washington 98002	$ 29,470

Nez Perce Tribe of Idaho Nez Perce Tribal Executive Community P.O. Box 305 Lapwai, Idaho 83540	$ 27,639
Nisqually Indian Tribe 4820 She-Nah-Num Road SE Olympia, Washington 98503	$ 29,270
Port Gamble Business Committee P.O. Box 280 Kingston, Washington 98346	$ 28,155
Puyallup Nation Health Authority 2209 East 32nd Street Tacoma, Washington 98404	$ 28,155
Sauk-Suiattle Indian Tribe P.O. Box 678 Darrington, Washington 98241	$ 27,366
Shoshone-Bannock Tribe Tribal Health Department P.O. Box 306 Fort Hall, Idaho 83203	$ 26,578
Skokomish Indian Tribe RR 5, Box 432 Shelton, Washington 98584	$ 26,841
Spokane Tribe of Indians P.O. Box 385 Wellpinit, Washington 99040	$ 25,000
Squaxin Island Tribal Community Route 1, Box 257 Shelton, Washington 98584	$ 27,366
Swinomish Indian Tribal Community P.O. Box 388 LaConner, Washington 98257	$ 28,155
Tulalip Board of Directors 6700 Totem Beach Road Marysville, Washington 98270	$ 28,681
Upper Skagit Indian Tribe Community Service Division 725 Fairhaven Avenue Burlington, Washington 98233	$ 26,578
California Tribal Chairmen's Association 1540 River Park Drive, Suite 214 Sacramento, California 95815	$225,000
Consortium of Coastal Indian Rancherias P.O. Box 3692 Eureka, California 95501	$100,000

Consortium of Tule River Indian Reservation P.O. Box 589 Porterville, California 93257	$ 81,940
Hoopa Valley Tribe P.O. Box 817 Hoopa, California 95546	$ 48,644
Inter-Tribal Council of California, Inc. 2220 Watt Avenue, Suite C-13 Sacramento, California 95825	$150,000
Lake County Indian Child & Family Services P.O. Box 618 Clearlake Oaks, California 95423	$125,000
Mission Indian Bands Paralegal Consortium P.O. Box 2690 Escandido, California 92025	$100,000
Modoc Indian Health Project P.O. Box 251 Altura, California 96101	$100,000
Indian Child Welfare Consortium (Pauma) P.O. Box 86 Pauma Valley, California 92061	$136,832
Pit River Tribal Council P.O. Box Drawer 1570 Burney, California 96012	$ 55,237
Six Tribal Nations Consortium P.O. Box 448 Covelo, California 95482	$110,923
Susanville Indian Rancheria P.O. Box 754 Susanville, California 96130	$ 25,000
Toiyabe Indian Health Project P.O. Box 1296 Bishop, California 93514	$150,000

FY 1981 - OFF-RESERVATION GRANTEES	ACTUAL FUNDINGS
American Indian Center of Omaha 613 South 16th Street Omaha, Nebraska 68102	$ 40,250
American Indian Service Corporation 100 West 6th Street L'Abri Building Sioux Falls, South Dakota 57102	$ 46,298
United Sioux Tribes of South Dakota Development Box 1193 Pierre, South Dakota 57501	$ 38,673
Native American Center 2830 South Robinson Oklahoma City, Oklahoma 73109	$ 37,095
Indian Center of Topeka 407 West Lyman Road Topeka, Kansas 66608	$ 27,629
Billings American Indian Council 3615 Montana Avenue Billings, Montana 59101	$ 36,569
Montana United Indian Association 846 Front Street Helena, Montana 59601	$ 36,043
American Indian Center of Mid-America 4648 Gravios Avenue St. Louis, Missouri 63116	$ 34,991
Heart of America Indian Center 1340 East Admiral Blvd Kansas City, MO	$ 31,047
Little Indian Center, Inc. Box H - 1263 Haskell Indian Junior College Lawrence, Kansas 66044	$ 28,155
St. Augustine's Center for American Indians, Inc. 4512 North Sheridan Road Chicago, Illinois 60640	$ 26,578
Association of Arostook Indians, Inc. 22 Bowdoin Street P.O. Box 223 Houlton, Maine 04730	$ 28,155
North American Indian Club P.O. Box 851 Syracuse, New York 13201	$ 37,095

Cleveland American Indian Center 5500 Lorain Avenue Cleveland, Ohio 44106	$ 27,473
Boston Indian Council, Inc. 105 South Huntington Jamaica Plain Boston, Massachusetts 02130	$ 26,578
Hawaii Council of American Indian Nation 3260 Valena Street Honolulu, Hawaii 96819	$ 43,142
Fairbanks Native Association, Inc. 310 First Avenue Fairbanks, Alaska 99701	$ 32,625
Michigan Indian Benefit Association 820 West Saginaw Lansing, Michigan 48915	$ 26,619
Grand Rapids Inter-Tribal Council 45 Lexington NW Grand Rapids, Michigan 49504	$ 28,944
North American Indian Association of Detroit 360 John R Detroit, Michigan 48226	$ 32,625
St. Paul American Indian Center 1001 Payne Avenue St. Paul, Minnesota 55101	$ 31,047
Milwaukee Indian Health Board 930 North 27th Street Milwaukee, Wisconsin 53208	$ 26,840
Genesee Valley Indian Association G 3500 Flushing Road Flint, Michigan 48504	$ 20,762
Michigan Indian Legal Services, Inc. 160 East State Street Traverse City, Michigan 49684	$ 32,625
Indian Youth of America, Inc. P.O. Box 2786 Sioux City, Iowa 51106	$ 31,047
Upper Midwest American Indian Center 1113 West Broadway Minneapolis, Minnesota 55411	$ 26,578
Michigan Indian Child Welfare Agency P.O. Box 537 1871 Shunk Road Sault Ste. Marie, Michigan 49783	$ 32,625

Indian Health Care Resource Center of Tulsa, Inc. P.O. Box 184 Tulsa, Oklahoma 74119	$ 31,047
Native American Coalition of Tulsa 6539 East 31st Street Tulsa, Oklahoma 74145	$ 37,094
Native Americans for Community Action, Inc. Flagstaff Indian Center 15 N. San Francisco Street P.O. Box 572 Flagstaff, Arizona 86002	$ 44,194
Phoenix Indian Center 3302 North 7th Street Phoenix, Arizona 85014	$ 31,310
Prescott Indian Center 824 E. Gurley Street Prescott, Arizona 86301	$ 26,578
American Indian Association Tucson Indian Center 92 West Simpson Tucson, Arizona 85701	$ 28,155
Seattle Indian Center 121 Stewart Street Seattle, Washington 98101	$ 30,258
United Indians of All Tribes Foster Care Services 1515 Dexter Horton Building Seattle, Washington 98104	$ 27,892

ON-RESERVATION - TITLE II GRANTEES

FY 82 GRANTEES	ACTUAL FUNDINGS
Burns-Paiute Indian Colony P.O. Box 71 Burns, Oregon 97720	$ 16,500
Cocopah Indian Tribe P.O. Box G Somerton, Arizona 85350	$ 25,000
Colorado River Indian Tribe Route 1, Box 23-B Parker, Arizona 85344	$ 29,902
Confederated Tribe of Siletz Indians P.O. Box 670 Siletz, Oregon 97380	$ 47,000
Chehalis Indian Tribe Confederated Tribes of the Reservation P.O. Box 536 Oaksville, Washington 98586	$ 49,996
Iowa Tribe P.O. Box 190 Perkins, Oklahoma 74059	$ 26,525
Jamestown Klallam Tribe 105 S. 5th Avenue, Suite 2 Sequim, Washington 98382	$ 11,918
Kalispel Tribe of Indians P.O. Box 38 Usk, Washington 99180	$ 40,788
Laguna Pueblo P.O. Box 194 Laguna, New Mexico 87026	$ 57,480
Lower Elwha Tribal Council P.O. Box 1370 Port Angeles, Washington 98362	$ 42,108
Makah Indian Tribe MHEW Department P.O. Box 115 Neah Bay, Washington 98257	$ 46,409
Muckleshoot Indian Tribe 39015 172nd Avenue, S.E. Auburn, Washington 98002	$ 50,000
Muskogee (Creek) Nation P.O. Box 580 Okmulgee, Oklahoma 74447	$ 48,112

Nambe Pueblo Route 1, Box 117BB Nambe Pueblo, New Mexico 87501	$ 33,064
Nez Perce Tribe of Idaho Nez Perce Family Services P.O. Box 305 Lapwai, Idaho 83540	$ 47,500
Nisqually Indian Tribe 4820 She-Nah-Num Rd., S.E. Olympia, Washington 98503	$ 44,099
Nooksack Indian Tribe P.O. Box 157 Deming, Washington 98244	$ 47,500
Oglala Sioux Children's Village P.O. Box Pine Ridge, South Dakota 57770	$ 73,160
Sac and Fox of the Mississippi in Iowa Route 2, Box 56-C Tama, Iowa 52339	$ 29,175
Santa Clara Pueblo P.O. Box 580 Espanola, New Mexico 87532	$ 35,915
Sauk-Suiattle Indian Tribe 4229 76th Street, N.E. Marysville, Washington 98270	$ 31,101
Shoshone-Bannock Tribe Tribal Health Department P.O. Box 306 Fort Hall, Idaho 83203	$ 47,000
Skokomish Indian Tribe R.R. #5, Box 432 Shelton, Washington 98584	$ 37,000
Southern Ute Tribe Tribal Affairs Building P.O. Box 737 Ignacio, Colorado 81137	$ 46,363
Squaxin Island Tribe Route, Box 257 Shelton, Washington 98584	$ 39,892
St. Croix Chippewa Tribe Star Route Webster, Wisconsin 54893	$ 29,176
Stillaquamish Tribe of Indians 2704 State Road, 530 N.E. Arlington, Washington 98223	$ 15,000

Suquamish Indian Tribe P.O. Box 498 Suquamish, Washington 98392	$ 41,520
Tulalip Tribe Health and Social Service 6700 Totem Beach Road Marysville, Washington 98270	$ 49,993
Turtle Mountain Band of Chippewa Indians Belcourt, North Dakota 58316	$ 80,000
Upper Skagit Indian Tribe Community Service Department 725 Fairhaven Avenue Burlington, Washington 98233	$ 15,437
Washoe Tribe of Nevada and California Washoe Tribal Council Route 2, Box 68 Gardnerville, Nevada 89410	$ 32,093
Wisconsin Winnebago Business Committee 150 Market Avenue Port Edwards, Wisconsin 54469	$ 28,914
Indian Child Welfare Consortium P.O. Box 292 Pauma Valley, California 92061	$ 130,000
Omaha Tribe of Nebraska P.O. Box 368 Macy, Nebraska 68071	$ 52,000
Cheyenne River Sioux Tribe P.O. Box 590 Eagle Butte, South Dakota 57625	$ 80,000
Lower Brule Sioux Tribe P.O. Box 313 Lower Brule, South Dakota 57548	$ 50,000
Sisseton-Wahpeton Sioux Tribe Sisseton, South Dakota 57262	$ 106,840
Rosebud Sioux Tribe Rosebud, South Dakota 57570	$ 80,000
Crow Creek Sioux Tribe P.O. Box 657 Fort Thompson, South Dakota 57339	$ 50,000
Winnebago Tribe of Nebraska P.O. Box 626 Winnebago, Nebraska 68071	$ 50,000
Eight Northern Indian Pueblo Council, Inc. P.O. Box 969 San Juan Pueblo, New Mexico 87566	$ 135,375

Picuris Pueblo P.O. Box 228 Penasco, New Mexico 87553	$ 36,658
Ramah Navajo Tribe Ramah Navajo School Board, Inc. P.O. Box 267 Ramah, New Mexico 81137	$ 58,143
Mescalero Apache P.O. Box 176 Mescalero, New Mexico 88340	$ 33,024
Five Sandoval Indian Pueblos P.O. Box 580 Bernalillo, New Mexico 87004	$ 139,978
Citizen Band Potawatomi Route 5, Box 151 Shawnee, Oklahoma 74801	$ 26,592
Pawnee Tribe P.O. Box 470 Pawnee, Oklahoma 74058	$ 26,921
Comanche Tribe P.O. Box 908 Lawton, Oklahoma 73502	$ 29,477
Apache Tribe P.O. Box 1220 Anadarko, Oklahoma 73005	$ 26,868
Kiowa Tribe P.O. Box 361 Carnegie, Oklahoma 73015	$ 29,021
Ponca Tribe Box 2 - White Eagle Ponca City, Oklahoma 74601	$ 28,015
Community Health Merger Route 5 Box 144 Shawnee, Oklahoma 74801	$ 52,033
Kickapoo Tribe of Oklahoma P.O. Box 58 McLoud, Oklahoma 74851	$ 26,974
Cheyenne-Arapaho Tribes of Oklahoma Box 38 Concho, Oklahoma	$ 27,614
Fort Sill Apache Route 2 Box 121 Apache, Oklahoma 73006	$ 27,242
Indian Center of Lawrence Lawrence, Kansas	$ 26,805

Wichita & Affiliated Tribes P.O. Box 729 Anadarko, Oklahoma 73005	$ 26,756
Four Tribes of Kansas P.O. Box 142 Mayetta, Kansas 66509	$ 124,901
Delaware Tribe of Western Oklahoma P.O. Box 825 Anadarko, Oklahoma 73005	$ 26,438
Otoe-Missouri Tribe P.O. Box 68 Red Rock, Oklahoma 74651	$ 26,662
Caddo Tribe of Oklahoma P.O. Box 487 Binger, Oklahoma 73009	$ 24,000
Tonkawa and Kaws Box 70 Tonkawa, Oklahoma	$ 35,000
Confederated Tribes of Salish and Kootenai P.O. Box 278 Pablo, Montana 59855	$ 76,800
Fort Belknap Indian Community P.O. Box 249 Harlem, Montana 59526	$ 76,800
Shoshone and Arapaho P.O. Box 217 Fort Washakie, Wyoming 82514	$ 76,800
Blackfeet Tribe P.O. Box 850 Browning, Montana 59417	$ 76,800
Eastern Band of Cherokeee P.O. Box 507 Cherokee, North Carolina 28719	$ 145,509
Seneca Nation of Indians Box 231 Salamanca, New York 14779	$ 95,064
Mississippi Band of Choctaw Indians Route 7, Box 21 Philadelphia, Mississippi 39350	$ 130,000
Bristol Bay Native Association P.O. Box 189 Dillingham, Alaska 99576	$ 149,999
Kodiak Area Native Association P.O. Box 172 Kodiak, Alaska 99615	$ 150,000

Native Village of Tyonek General Delivery Tyonek, Alaska 99682	$ 50,000
Copper River Native Association Drawer H Copper Center, Alaska 99573	$ 39,640
Kuskokwim Native Association P.O. Box 155 Aniak, Alaska 99557	$ 88,468
Central Council of Tlingit and Haida One Sealaska Plaza, Suite 200 Juneau, Alaska 99801	$ 263,116
Inupiat Community P.O. Box 437 Barrow, Alaska 99723	$ 252,377
Metlakatla P.O. Box 8 Metlakatla, Alaska 99926	$ 30,578
Tanana Chiefs Conference 201 First Avenue Fairbanks, Alaska 99701	$ 140,000
Minnesota Sioux Tribe 2430 Sioux Trail, N.W. Prior Lake, Minnesota 55372	$ 53,405
Bad River Band of Lake Superior Chippewa P.O. Box 91 Odanah, Wisconsin 54861	$ 26,312
Red Cliff Band of Lake Superior Chippewas P.O. Box 529 Bayfield, Wisconsin 54814	$ 35,162
Mille Lacs RBC Star Route, Box 194 Onamin, Minnesota 56359	$ 29,176
Leech Lake Reservation P.O. Box 308 Cass Lake, Minnesota 56633	$ 39,848
Lac du Flambeau P.O. Box 67 Lac du Flambeau, Wisconsin 54538	$ 30,737
Bois Forte Reservation P.O. Box 968 Nett Lake, Minnesota 55772	$ 30,737

Fond du Lac Reservation 105 University Road Cloquet, Minnesota 55720	$ 30,737
Menominee Indian Tribe of Wisconsin P.O. Box 397 Keshena, Wisconsin 54135	$ 30,217
Sault Ste Marie Tribe of Chippewa 2151 Shunk Road Sault Ste. Marie, Michigan 49783	$ 28,915
Upper Sioux Community P.O. Box 147 Granite Falls, Minnesota 56241	$ 26,832
White Earth Reservation P.O. Box 418 White Earth, Minnesota 56591	$ 32,299
Grand Traverse Band of Ottawa and Chippewa Route 1, Box 118 Suttons Bay, Michigan 49682	$ 29,696
Inter-Tribal Council of Michigan 405 E. Easterday Avenue Sault Ste. Marie, Michigan 49783	$ 114,461
Lac Courte Oreilles Band of Lake Superior Route 2 Hayward, Wisconsin 54843	$ 29,176
Forest County Potawatomi P.O. Box 346 Crandon, Wisconsin 54520	$ 26,576
Red Lake Band of Chippewa Red Lake, Minnesota 56671	$ 29,957
Cherokee Nation of Oklahoma P.O. Box 948 Tahlequah, Oklahoma 74465	$ 138,109
Chickasaw Nation of Oklahoma P.O. Box 1548 Ada, Oklahoma 74820	$ 67,617
Choctaw Nation of Oklahoma Drawer 1210 Durant, Oklahoma 74701	$ 54,618
Seminole Nation of Oklahoma P.O. Box 745 Wewoka, Oklahoma 74884	$ 41,373
Seneca-Cayuga Tribe P.O. Box 1283 Miami, Oklahoma 74357	$ 30,000

Navajo Nation Window Rock, Arizona	$ 300,000
Ft. McDermitt Paiute Shoshone Tribe P.O. Box 457 McDermitt, Nevada 89421	$ 30,000
Ft. McDowell Mohave Apache Community P.O. Box 17779 Foundation Hills, Arizona 85268	$ 35,000
Salt River Pima-Maricopa Indian Route 1, Box 216 Scottsdale, Arizona 85256	$ 39,300
White Mountain Apache Tribe P.O. Box 1089 White River, Arizona 85941	$ 60,000
Unitah & Ouray Ute Indian P.O. Box 190 Ft. Duchesne, Utah 94026	$ 32,423
Yavapai Prescott Indian Tribe P.O. Box 348 Prescott, Arizona 86302	$ 30,000
Gila River Indian Community P.O. Box 427 Sacaton, Arizona 85247	$ 45,000
Walker River Paiute Tribe P.O. Box 220 Schertz, Nevada 89427	$ 25,000
Pascua Yaqui Tribe 4821 West Calle Vicam Tucson, Arizona 85746	$ 36,198
Fort Mohave Tribe P.O. Box 888 Needles, California	$ 27,084
Yerrington Paiute Tribe 171 Campbell Lane Yerrington, Nevada 89447	$ 30,000
Paiute Indian Tribe of Utah 600 North 100 East Cedar City, Utah	$ 35,000
Hualapai Tribe P.O. Box 68 Peach Springs, Arizona 86434	$ 35,000
San Carlos Health Authority P.O. Box 0 San Carlos, Arizona 85550	$ 25,000

Papago Tribe of Arizona P.O. Box 837 Sells, Arizona 85634	$ 40,000
Shoshone-Paiute Tribe P.O. Box 219 Owyhee, Nevada 89832	$ 25,000
Toiyabe Indian Health Project Inc. P.O. Box 1296 Bishop, California 93514	$ 150,000
Modoc Indian Health Project P.O. Box 152 Altura, California 96101	$ 125,000
Hoopa Valley Tribal Council P.O. Box 1348 Hoopa, California 95546	$ 150,000
Six Tribal Nations Consortium (Mendocino) 330 North Main Ukiah, California 95482	$ 150,000
The Consortium of Coastal Indian Rancherias P.O. Box 3692 Eureka, California 95501	$ 100,000
Consortium of Tule River P.O. Box 589 Porterville, California 93258	$ 150,000
Pit River Tribal Council P.O. Drawer 1570 Sacramento, California 96012	$ 50,000

OFF-RESERVATION - TITLE II GRANTEES

FY 82 GRANTEES	ACTUAL FUNDINGS
Boston Indian Council 105 S. Huntington Avenue Jamaica Plain, Massachusetts 02130	$ 50,000
Eagle Child, Indian Cnild, & Family Services Consortium, Inc. 2530 J. Street, Suite 200 Sacramento, California 95816	$ 150,000
Genesee Valley Indian Association G3500 Flushing Road, Suite 400 Flint, Michigan 48504	$ 20,762
Inter-Tribal Associates, Inc. Box 808 Noble, Oklahoma 73068	$ 26,161
Minneapolis American Indian Center 1530 East Franklin Avenue Minneapolis, Minnesota 55404	$ 36,625
Organization of the Forgotten American Health & Social Services 3949 S. 6th Street P.O. Box 1257 Klamath Falls, Oregon 97601	$ 50,000
Phoenix Indian Center, Inc. Urban Indian Center 3302 N. 17th Street Phoenix, Arizona 85014	$ 50,000
Seattle Indian Center Family Services Department 121 Stewart Street Seattle, Washington 98101	$ 150,000
Tucson Indian Center 92 W. Simpson Street Tucson, Arizona 85701	$ 35,000
United Indians of All Tribes Foundation P.O. Box 99253 Seattle, Washington 98199	$ 75,000
American Indian Services Corporation 100 West 6th Street Sioux Falls, South Dakota 57102	$ 50,000
Native American Center, Inc. 700 10th Street, South P.O. Box 2612 Great Falls, Montana 59403	$ 26,997

Montana United Indian Association 846 Front Street Helena, Montana 59601	$ 76,800
St. Augustine's Center for American Indians 4512 N. Sheridan Road Chicago, ILL. 60640	$ 104,422
Council of Three Rivers 200 Charles Street Pittsburgh, PA 15238	$ 125,435
Heart of America Indian Center Indian Children's Services 1340 E. Admiral Blvd. Kansas City, MO 64106	$ 81,637
St. Paul American Indian Center 1001 Payne Avenue St. Paul, MN 55101	$ 30,737
Michigan Indian Child Welfare Agency 120 Ridge Street P.O. Boc 537 Sault Ste. Marie, MI 49783	$ 32,299
Michigan Indian Benefit Association - Lansing 820 West Saginaw Lansing, MI 48915	$ 26,353
Indian Youth of America, Inc. P.O. Box 2786 Sioux City, IA 51106	$ 30,737
Milwaukee Indian Health Board, Inc. 930 N. 27th Street Milwaukee, WI 53208	$ 26,572
Grand Rapids Inter-Tribal Council 45 Lexington, N.W. Grand Rpaids, MI 49506	$ 28,655
American Indian Fellowship Association 2 East 2nd Street Duluth, Minnesota 55802	$ 31,047
Stockbridge-Munsee Community Route One Bowler, Wisconsin 54416	$ 31,047
Upper Mid-West American Indian Center 1113 West Broadway Minneapolis, Minnesota 55411	$ 26,312
North American Indian Association of Detroit 360 John R. Detroit, Michigan 48226	$ 32,299

Indian Health Care Resource Center P.O. Box 184 Tulsa, Oklahoma 74119	$ 73,716
Dallas Inter-Tribal Center 209 E. Jefferson Dallas, Texas 75203	$ 74,032
Native American Coaliton of Tulsa 1740 W. 41st Street Tulsa, Oklahoma 74107	$ 48,423
Organization of the Forgotten American Health and Social Services 3949 S. 6th Street P.O. Box 1257 Klamath Falls, Oregon 97601	$ 50,000
Indian Nurses of California, Inc. Urban Indian Child Resource Center 390 Euclid Avenue Oakland, California 94610	$ 150,000
The Los Angeles Indian Center, Inc. 1111 West Washington Blvd. Los Angeles, California 99015	$ 140,000
Community Action for the Urbanized American Indian 225 Valencia Street San Francisco, California 94103-2398	$ 138,500

ON-RESERVATION - TITLE II GRANTEES

FY 83 GRANTEES	ACTUAL FUNDINGS
Apache Tribe of Oklahoma P.O. Box 1220 Anadarko, Oklahoma 73005	$ 33,000
Bad River Band of Lake Superior Chippewa P.O. Box 91 Odanah, Wisconsin 54861	$ 35,000
Bois Forte Reservation Business Committee P.O. Box 698 Nett Lake, Minnesota 55772	$ 35,000
Bristol Bay Native Association P.O. Box 189 Dillingham, Alaska 99576	$ 95,887
Caddo Tribe of Oklahoma P.O. Box 487 Binger, Oklahoma 73009	$ 28,000
Central Council of Tlingit and Haida Indian Tribes of Alaska One Sealaska Plaza, Suite 200 Juneau, Alaska 99801	$183,587
Cherokee Nation P.O. Box 948 Tahlequah, Oklahoma 74465	$166,030
Cheyenne and Arapahoe Tribes P.O. Box 38 Concho, Oklahoma 73022	$ 50,000
Cheyenne River Sioux Tribe P.O. Box 590 Eagle Butte, South Dakota 57625	$ 66,800
Chickasaw Nation P.O. Box 1548 Ada, Oklahoma 74820	$ 82,148
Chippewa Cree Tribe Rocky Boy Route Box Elder, Montana 59521	$ 37,275
Choctaw Nation Drawer 1210 Durant, Oklahoma 74701	$ 88,549
Citizen Band Potawatomi Rte. 5, Box 151 Shawnee, Oklahoma 74801	$ 29,627

Comanche Tribe of Oklahoma P.O. Box 908 Lawton, Oklahoma 73502	$ 40,000
Community Health Center Rte. 5, Box 144 Shawnee, Oklahoma 74801	$ 60,000
Consortium of Coastal Indian Rancherias P.O. Box 1120 Trinidad, California 95570	$100,000
Creek Nation P.O. Box 580 Okmulgee, Oklahoma 74447	$ 93,307
Crow Creek Sioux Tribe P.O. Box 657 Fort Thompson, South Dakota 57339	$ 50,000
Delaware Tribe of Oklahoma P.O. Box 825 Anadarko, Oklahoma 73005	$ 30,000
Devils Lake Sioux Tribe Fort Totten, North Dakota 58335	$ 52,400
Duck Valley Shoshone Tribe P.O. Box 219 Owyhee, Nevada 89832	$ 25,000
Duckwater Shoshone Tribe P.O. Box 68 Duckwater, Nevada 89314	$ 30,000
Eastern Band of Cherokee Boys Club, Inc. P.O. Box 507 Cherokee, North Carolina 28719	$137,255
Five Sandoval Indian Pueblos, Inc. P.O. Box 580 Bernalillo, New Mexico 87004	$198,797
Fond du Lac Reservation Business Committee 105 University Road Cloquet, Minnesota 55720	$ 35,000
Forest County Potawatomi P.O. Box 346 Crandon, Wisconsin 54520	$ 30,000
Fort McDermitt Tribe P.O. Box 457 McDermitt, Nevada 89421	$ 40,000
Fort McDowell Mohave-Apache Committee P.O. Box 17779 Foundation Hills, Arizona 85268	$ 35,000

Fort Mohave Indian Tribe P.O. Box 888 Needles, California	$ 27,000
Fort Peck Tribe P.O. Box 1417 Popular, Montana 59255	$ 76,000
Fort Sill Apache Tribe of Oklahoma Route 2, Box 121 Apache, Oklahoma 73006	$ 28,350
Four Tribes Social Services Program of Kansas P.O. Box 142 Mayetta, Kansas 66509	$125,000
Gila River Indian Community P.O. Box 427 Sacaton, Arizona 85247	$ 50,000
Grand Traverse Band of Ottawa and Chippewa Indian Route 1, Box 118 Suttons Bay, Michigan 49682	$ 35,000
Havasupai Tribe P.O. Box 10 Supai, Arizona 86035	$ 35,000
Hoopa Valley Business Council P.O. Box 1348 Hoopa, California 95546	$133,500
Hopi Tribe P.O. Box 123 Kyslsmovi, Arizona 86039	$ 30,000
Hualapai Tribe Hualapai Tribal Court P.O. Box 68 Peach Springs, Arizona 86434	$ 35,000
Indian Township Passamaquoddy Tribe Tribal Government P.O. Box 301 Princeton, Maine 04668	$ 50,000
Inupiat Community of the Arctic Slope P.O. Box 437 Barrow, Alaska 99723	$150,000
Ketchikan Indian Corp. P.O. Box 6855 Ketchikan, Alaska 99901	$ 49,902
Kickapoo Tribe of Oklahoma P.O. Box 58 McLoud, Oklahoma 74851	$ 35,000

Kiowa Tribe of Oklahoma P.O. Box 361 Carnegie, Oklahoma 73015	$ 40,000
Kuskokwim Native Association Child Welfare Program P.O. Box 155 Aniak, Alaska 99557	$ 55,187
Lac Courte Oreilles Band of Lake Superior Chippewa Indians Route 2 Hayward, Wisconsin 54843	$ 35,000
Lac du Flambeau Tribal Council P.O. Box 67 Lac du Flambeau, Wisconsin 54538	$ 36,000
Leech Lake Reservation Business Committee P.O. Box 308 Cass Lake, Minnesota 56633	$ 49,000
Lower Brule Sioux Tribe P.O. Box 313 Lower Brule, South Dakota 57548	$ 50,000
Menominee Indian Tribe of Wisconsin P.O. Box 397 Keshena, Wisconsin 54135	$ 48,000
Mescalero Apache Tribe P.O. Box 176 Mescalero, New Mexico 88340	$ 49,968
Miccosukee Tribe of Indians of Florida P.O. Box 440021 Miami, Florida	$ 45,000
Mille Lacs Reservation Business Committee Star Route, Box 194 Onamia, Minnesota 56359	$ 34,000
Minnesota Sioux Tribe 2430 Sioux Trail, N.W. Prior Lake, Minnesota 55372	$ 60,000
Mississippi Band of Choctaw Indians Family Services Department Route 7, Box 21 Philadelphia, Mississippi 39350	$129,094
Native Village of Tyonek General Delivery Tyonek, Alaska 99682	$ 48,387
Navajo Tribe Window Rock, Arizona	$300,000

Northern Cheyenne Tribe P.O. Box 128 Lame Deer, Montana 59043	$ 66,770
Omaha Tribe of Nebraska P.O. Box 368 Macy, Nebraska 68071	$ 50,000
Oneida Tribe P.O. Box 365 Oneida, Wisconsin 54155	$ 35,000
Otoe-Missouria Tribe of Oklahoma P.O. Box 68 Red Rock, Oklahoma 74651	$ 28,000
Paiute Indian Tribe of Utah 600 N. 100 East Cedar City, Utah 84720	$ 35,000
Papago Tribe of Arizona P.O. Box 837 Sells, Arizona 85634	$ 45,000
Pascua Yaqui Tribe 4821 W. Calle Vicam Tucson, Arizona 85746	$ 47,000
Pawnee Tribe of Oklahoma P.O. Box 470 Pawnee, Oklahoma 74058	$ 40,000
Penobscot Indian Nation Health Bldg., River Road Indian Island Old Town, Maine 04468	$ 80,000
Picuris Pueblo P.O. Box 228 Penasco, New Mexico 87553	$ 51,000
Pit River Tribal Council P.O. Drawer 1570 Sacramento, California 96012	$ 50,000
Ponca Tribe of Oklahoma Box 2 - White Eagle Ponca City, Oklahoma 74601	$ 40,000
Pyramid Lake Paiute Tribe P.O. Box 256 Nixon, Nevada 89424	$ 25,000
Ramah Navajo Tribe Ramah Navajo School Board, Inc. P.O. Box 267 Ramah, New Mexico 81137	$ 50,000

Red Cliff Band of Lake Superior Chippewas P.O. Box 529 Bayfield, Wisconsin 54814	$ 42,000
Red Lake Band of Chippewa Indians Red Lake, Minnesota 56671	$ 50,000
Robinson Rancheria 2220 Watt Avenue, Suite C-13 Sacramento, California 95825	$ 47,550
Rosebud Sioux Tribe Rosebud, South Dakota 57570	$ 70,500
Salt River Pima-Maricopa Indian Community Rte. 1, Box 216 Scottsdale, Arizona 85256	$ 42,085
San Carlos Apache Health Authority P.O. Box O San Carlos, Arizona 85550	$ 25,000
San Ildefonso/Tesuque Consortium San Ildefonso Pueblo Rte. 5, Box 315-A Santa Fe, New Mexico 87501 and Tesuque Pueblo Route 11, Box 1 Santa Fe, New Mexico 87501	$149,998
Sault Ste. Marie Tribe of Chippewa Indians 2151 Shunk Road Sault Ste. Marie, Michigan 49783	$ 34,000
Seneca Nation of Indians Seneca Nation of Health P.O. Box 231 Salamanca, New York 14779	$ 95,870
Seneca-Cayuga P.O. Box 1283 Miami, Oklahoma 74355	$ 30,851
Sisseton-Wahpeton Sioux Tribe Sisseton, South Dakota 57262	$105,000
Six Tribal Nations Consortium 330 N. Main Street Ukiah, California 95482	$140,000
Stockbridge-Munsee Community Tribal Council Route 1 Bowler, Wisconsin 54416	$ 36,000
Tanana Chiefs Conference, Inc. 201 First Avenue Fairbanks, Alaska 99701	$ 86,337

Three Affiliated Tribes P.O. Box 220 New Town, North Dakota 58763	$ 50,000
Toiyabe Indian Health Project P.O. Box 1296 Bishop, California 93514	$154,000
Uintah and Ouray Reservation Ute Indian Tribe P.O. Box 190 Fort Duchesne, Utah 94026	$ 32,400
United Crow Band, Inc. P.O. Box 131 Tok, Alaska 99780	$ 41,387
United Indian Child Welfare Consortium 1112 Mendocino Avenue Santa Rosa, California 95401	$ 49,000
Upper Sioux Community P.O. Box 147 Granite Falls, Minnesota 56241	$ 31,000
Ute Mountain Ute Tribe General Delivery Towaoc, Colorado 81344	$ 47,930
Walker River Paiute Tribe P.O. Box 220 Schultz, Nevada 89427	$ 25,000
White Earth Reservation Business Committee P.O. Box 418 White Earth, Minnesota 56591	$ 40,000
White Mountain Apache Tribe Apache Tribal Guidance Center P.O. Box 1089 Whiteriver, Arizona 85941	$ 60,000
Wichita and Affiliated Tribes P.O. Box 729 Anadarko, Oklahoma 73005	$ 30,000
Winnebago Tribe of Nebraska P.O. Box 626 Winnebago, Nebraska 68071	$ 50,000
Yankton Sioux Tribe P.O. Box 146 Wagner, South Dakota 57380	$ 62,300
Yavapai-Prescott Indian Tribe P.O. Box 348 Prescott, Arizona 86302	$ 25,000

Yerington Paiute Tribe 171 Campbell Lane Yerington, Nevada 89447	$ 35,000
Yakima Indian Nation P.O. Box 151 Toppenish, Washington 98948	$ 30,000
Nisqually Indian Community 4820 She-Nah-Num Road, S.E. Olympia, Washington 98503	$ 44,182
Kalispel Business Council P.O. Box 38 Usk, Washington 99180	$ 48,498
Colville Business Council P.O. Box 150 Nespelem, Washington 99116	$ 62,165
Muckleshoot Tribal Council 39015 172nd Avenue, S.E. Auburn, Washington 98002	$ 50,000
Confederated Tribes of Warm Springs Warm Springs, Oregon 97761	$ 14,331
Puyallup Tribal Council 2209 E. 32nd Street Tacoma, Washington 98404	$140,000
Metlakatla Indian Community P.O. Box 8 Metlakatla, Alaska 99926	$ 30,578
Nooksack Indian Tribal Council P.O. Box 157 Deming, Washington 98244	$ 45,000
Swinomish Indian Senate Social Services P.O. Box 388 La Conner, Washington 98257	$ 45,644
Siletz Tribe P.O. Box 670 Siletz, Oregon 97380	$ 44,000
Blackfeet Tribe P.O. Box 850 Browning, Montana 59417	$ 76,142
Coeur d'Alene Tribal Council Juvenile Justice Division Plummer, Idaho 83851	$ 43,017
Laguna Pueblo P.O. Box 194 Laguna, New Mexico 87026	$ 66,943

Fort Belknap Indian Community P.O. Box 249 Harlem, Montana 59526	$ 76,000
Confederated Tribes of Salish and Kootenai P.O. Box 278 Pablo, Montana 59855	$ 26,301
Indian Child Welfare Consortium (Pauma Valley) P.O. Box 292 Pauma Valley, California 92061	$130,000
Modoc Indian Health Project P.O. Box 251 Alturas, California 96101	$ 50,000
Lummi Business Council 2616 Kwina Road Bellingham, Washington 98225	$ 48,970
Makah Tribal Council MHEW Department P.O. Box 115 Neah Bay, Washington 98257	$ 28,234
Inter-Tribal Council of Michigan, Inc. 405 East Easterday Avenue Sault Ste. Marie, Michigan 49783	$100,000
Skokomish Indian Tribe R.R. #5, Box 432 Shelton, Washington 98584	$ 40,300
Suquamish Tribal Council P.O. Box 498 Suquamish, Washington 98392	$ 35,396
Confederated Tribes of Chehalis Res. P.O. Box 536 Oakville, Washington 98568	$ 48,148
Copper River Native Association Drawer H Copper Center, Alaska 99573	$ 40,000
Kodiak Area Native Association P.O. Box 172 Kodiak, Alaska 99605	$ 96,387
Fairbanks Native Association 310 First Avenue Fairbanks, Alaska 99701	$ 77,587
Sitka Community Association P.O. Box 4360 Mt. Edgecumbe, Alaska 99835	$ 50,000

OFF-RESERVATION - TITLE II GRANTEES

FY 83 GRANTEES	ACTUAL FUNDINGS
American Indian Fellowship Association 2 East 2nd Street Duluth, Minnesota 55802	$ 35,000
American Indian Services Corp. 100 West 6th Street Sioux Falls, South Dakota 57102	$ 78,150
Billings American Indian Council 3615 Montana Avenue Billings, Montana 59103	$ 53,883
Community Action for the Urbanized American Indian, Inc. 225 Valencia Street San Francisco, California 94103-2398	$128,000
Council of Three Rivers 200 Charles Street Pittsburgh, Pennsylvania 15238	$139,817
Dallas Inter-Tribal Center 209 E. Jefferson Dallas, Texas 75203	$ 97,263
Grand Rapids Inter-Tribal Council 45 Lexington, N.W. Grand Rapids, Michigan 49506	$ 36,500
Heart of America Indian Center Indian Children's Services 1340 E. Admiral Blvd. Kansas City, Missouri 64106	$ 89,624
Indian Centers, Inc. 111 W. Washington Blvd. Los Angeles, California 90015	$140,000
Indian Center of Lawrence 2326 Louisiana P.O. Box 1016 Lawrence, Kansas 66044	$ 32,473
Indian Health Care Resource Center P.O. Box 184 Tulsa, Oklahoma 74119	$131,959
Indian Nurses of California, Inc. Urban Indian Child Resource Center 390 Euclid Avenue Oakland, California 94610	$167,500

Indian Youth of America, Inc. P.O. Box 2786 Sioux City, Iowa 51106	$ 35,000
Michigan Indian Benefit Association - Lansing 820 West Saginaw Lansing, Michigan 48915	$ 29,385
Michigan Indian Child Welfare Agency 120 Ridge Street P.O. Box 537 Sault Ste. Marie, Michigan 49783	$ 60,000
Milwaukee Indian Health Board, Inc. 930 N. 27th Street Milwaukee, Wisconsin 53208	$ 40,000
Native American Center, Inc. 700 10th Street, South P.O. Box 2612 Great Falls, Montana 59403	$ 35,000
Native American Coalition 1740 W. 41st Street Tulsa, Oklahoma 74107	$ 79,880
North American Indian Association of Detroit, Inc. 360 John R. Detroit, Michigan 48226	$ 36,000
North American Indian Club of Syracuse and Vicinity, Inc. P.O. Box 851 Syracuse, New York 13201	$ 47,000
St. Augustine's Center for American Indians, Inc. 4512 N. Sheridan Road Chicago, Illinois 60640	$114,013
St. Paul American Indian Center 1001 Payne Avenue St. Paul, Minnesota 55101	$ 35,000
Upper Midwest American Indian Center 1113 West Broadway Minneapolis, Minnesota 55411	$ 33,000
Urban Indian Council P.O. Box 3198 Portland, Oregon 97208	$112,937
Native American Rehab. Association 3129 S.E. Hawthorne Portland, Oregon 97214	$ 50,000
United Indians of All Tribes Foundation P.O. Box 99253 Seattle, Washington 98199	$ 37,699

Organization of the Forgotten American
Health & Social Services
3949 S. 6th Street
P.O. Box 1257
Klamath Falls, Oregon 97601

$ 50,000

Attachment 7

P.L. 93-638 Contracts and Grants Oversight Groups

Central Office Group (7 positions)

No. of Personnel	Title	Grade
1	Chief, Oversight Staff	15
1	Contract & Grant Analyst	14
1	Property Management Analyst	14
1	Contract & Grant Analyst	13
1	Management Analyst	13
1	Contract & Grant Assistant	9
1	Secretary	7

3 FIELD OFFICES GROUPS (6 positions each)

No. of Personnel	Title	Grade
1	Supv. Contract & Grant Anal.	14
1	Contract & Grant Analyst	13
1	Property Management Analyst	13
1	Contract & Grant Analyst	12
1	Contract & Grant Assistant	9
1	Secretary	6

638 Oversight

1 Central Office Position

Supervisory Self-Determination Contract/Grant Oversight Analyst, GM-15

Division of Self-Determination Contracting and Grants Oversight

Office of Administration

Bureau of Indian Affairs

INTRODUCTION

The Division of Self-Determination Contracts and Grants Oversight provides staff assistance, through the Director, Office of Administration, to the Deputy Assistant Secretary - Indian Affairs (Operations) designed to improve field management of contracted programs under P.L. 93-638. Staff assistance includes (1) evaluation of the contract and grant award and administration, and property administration processes for conformance to law, regulation and sound management principles; (2) policy analysis and recommendations; (3) monitoring field implementation of General Accounting and Office of Inspector General recommendations for improving contract and grant administration; (4) arranging for technical assistance or training of field administrative and program staff to meet critical management needs; and (5) making recommendations for improving program administration or contracts/grants administration pertinent to P.L. 93-638.

The incumbent is the Chief of the Oversight Staff and, as such, supervises staff performance of three (3) regional locations and the Washington Office in a variety of review and analysis services for the Bureau's 638 contracts/grants which are designed to determine the extent of compliance with existing Federal laws and judicial decisions, Federal regulations and Bureau policies.

Contracts and grants subject to oversight review total in excess of two hundred million dollars annually and represent services the Bureau is obligated by law to make available to Indians. Individual contracts may total more than one million dollars in some cases; frequently they will be for several hundred thousands of dollars. Management requirements under review are complex and vary to some extent with the size and purpose of the contract. Contracts may be for performance of Bureau programs such as social services, vocational or higher education, forestry management, special education, housing improvement, law and order, etc.

The Chief directs a staff of approximately 25 at four geographic locations. Staff includes approximately 12 analysts in contract, grant and property administration at the GS 13/14 level; and approximately nine support staff of junior analysts at the GS 7 through 12 level, and secretarial staff. Oversight program needs vary by region because of historical and present differences in (1) levels of 638 contracting by specific tribes, (2) skill levels of Bureau and tribal contract management and performance, and (3) different experience in recent audit findings.

The position is extremely complex because of the above factors and demands of interested parties -- Tribal governments, Bureau and Department Management, OMB, GAO, OIG and the Congress and its Committees.

REPRESENTATIVE DUTIES

The duties of this position include:

1. Managing the overall planned activity structure of the national oversight staff, including the annual work plans for regional staff.
2. Assigning activities to staff members, monitoring their completion, and providing evaluation and guidance at various levels of completion of the activities. Activities assigned are audit-like,

such as selecting agencies or categories of agencies to receive oversight reviews for certain program activities or combinations of activities or functions; e.g., review of all multi-tribal agencies (in a designated Area jurisdication) in which law and order contracting occurs and in which no GAO or I.G. audits have been completed within two years. Other assignments may relate to such responsibilities as property procurement, utilization or management.

3. Issuing national objectives to the regional supervisory oversight staff. This includes setting priorities which address Congressional, Departmental, Bureau, Tribal, GAO and IG concerns. Such concerns may emanate from Bureau or area wide audits by the Office of Inspector General or GAO on specific functional areas (e.g., utilization of ADP equipment). Conspicuously poor performance by the Bureau or a tribal government contractor may result in a congressional mandate to improve or correct a program operation.

4. Establishing and maintaining liaison with Departmental, Congressional Office of Inspector General (OIG)/General Accounting Office (GAO) Washington and Regional Staff, Area Directors, Central Office Program Directors and other key management staff.

5. Providing standards to regional staff for:

   A. developing or modifying evaluation instruments to be used in field evaluations of self-determination activities;

   B. selecting Bureau activity areas in which to prepare policy analysis and recommendations;

   C. establishing methods to ensure GAO, OIG, recommendations are being implemented;

   D. determining types of technical assistance and training to be arranged for Bureau staff and methods and timing for delivery; and

   E. based upon field evaluations, managing the preparation of reports and recommendations, to the Deputy Assistant Secretary - Indian Affairs (Operations) for improving field management of P.L. 93-638 programs.

   F. Monitoring the results of negotiation and determination of indirect costs under P.L. 93-638 for compliance with legal and regulatory requirements and sound business practices.

   G. Managing the receipt, analysis, compilation and forwarding to the Deputy Assistant Secretary - Indian Affairs (Operations) all required management reports from Area Directors. Such reports are prepared quarterly and deal with Departmental and Treasury concerns regarding letter of credit usage, program performance and monitoring closeout of completed instruments, and other management concerns.

B. FACTORS.

1. Knowledge and Abilities Required by the Position.

Working knowledge of Congressional intent and legislation, appeal proceedings, judgments, and legal opinions impacting on Public Law 93-638 activities and, Federal-Tribal intergovernmental policies, programs and services.

Exceptional knowledge of procurement/grants regulations (Federal, Interior, Bureau) and GSA/OMB regulations and guidelines necessary to understanding policies, regulations, and procedures essential to effective use of legal instrument.

Exceptional knowledge and understanding of management applications, demonstrated analytical and writing abilities, knowledge of review methods and procedures, statistical sampling techniques, analytical instruments, assessments techniques and interview formats. Ability and skill in planning and implementing complex tasks.

2. Supervisory Controls.

Incumbent works under general direction of the Director, Office of Administration. Located in Washington, D.C. the incumbent operates with considerable independence under very general policy direction.

3. Guidelines.

Guidelines include self-determination contract/grant laws, regulations, and policy, OMB Circulars, Executive Orders, GAO decisions, OIG recommendations, and evaluation protocols and guidelines. Oversees the evaluation actions which require originality in assessment procedures and novel approaches for situations where guidelines do not exist or are not applicable. Frequently required to oversee the development and implementation of assessment techniques and instruments applicable to a particular review(s). These approaches have a Bureauwide impact because of the magnitude of the Contract Office program and its significance to the achievement of Bureau goals.

4. Complexity.

Work consists of managing the planning, conducting, and reporting on program results of Contract Offices in which total procurement/grants activities are valued at tens of millions of dollars. The incumbent manages the conduct of reviews of procurement plans, contracts/grants documents and awards, Bureau/contractor performance, and supportive management systems of Contract Offices on a scheduled basis. Incumbent must resolve highly specialized problems and issues that affect delivery of services.

Incumbent manages the development of solutions to meet a wide variety of complex program surveys and reviews, tracking of efforts, data/information collection and presentations, and management systems. Considers alternative courses and their consequences to determine the most desirable alternatives and recommends such action to the Assistant Secretary.

5. Scope and Effect.

Incumbent manages the implementation of an assessment strategy for reviewing and evaluating the P.L. 93-638 contracts/grants elements carried on by Bureau Area and Agency Offices in all regions. Provides expert monitoring and oversight support to the Director, Office of Administration, and provides program-oriented recommendations. The evaluation work is critical to successful management of the Bureau's mission responsibilities under P.L. 93-638

6. Personal Contacts.

Incumbent establishes and maintains liaison and professional contacts with counterpart administrative, legal, financial, supervisory, and management personnel at Bureau Offices, Tribal/Alaska Native communities, private and public sector advocacy groups, State governments, and Federal audit agencies. The persons contacted and the purpose of the contacts vary according to the type, degree, complexity, and nature of the issues involved.

7. Purpose of Contacts.

Incumbent resolves problems involving conflicting priorities and disputes on evaluation actions; holds briefings and makes presentations; provides concurrences to proceed with various assessment actions; provides advice, assistance and counsel where needed; and makes timely and appropriate recommendations to Regional and Washington, D.C. personnel. Conducts management briefings to provide advice on high-value program matters. The purpose of extra agency contacts is to exchange information, respond to inquiries, assisting in cooperative ventures and explain Bureau policies.

8. Physical Demands.

The work is primarily sedentary in nature. There is requirement for extensive travel within the jurisdictional area to conduct program results reviews, provide technical assistance, and monitor Area Office levels of effort and progress under P.L. 93-638.

9. Work Environment.

The incumbent performs work in an office setting provided by the Bureau of Indian Affairs. Work will also be conducted in other government installations, in offices of Tribal governments, and in a variety of urban/rural locales.

638 Oversight

1 Central Office Staff

Supervisory Self-Determination Contract/Grant Oversight Analyst, GM-14
(1 Central Office Position)

Division of Self-Determination Contracting and Grants Oversight

Office of Administration

Bureau of Indian Affairs

INTRODUCTION

The Division of Self-Determination Contracting and Grants Oversight provides staff assistance, through the Director, Office of Administration, to the Deputy Assistant Secretary - Indian Affairs (Operations) designed to improve field management of contracted programs under P.L. 93-638. Staff assistance includes (1) evaluation of the contract and grant award and administration, and property administration processes for conformance to law, regulation and sound management principles; (2) policy analysis and recommendations; (3) monitoring field implementation of General Accounting and Office of Inspector General recommendations for improving contract and grant administration; (4) arranging for technical assistance or training of field administrative and program staff to meet critical management needs; and (5) making recommendations for improving program administration or contracts/ grants administration pertinent to P.L. 93-638.

The incumbent serves as Deputy To the Chief and in his absence supervises staff performance of a variety of review and analysis services for the Bureau's 638 contracts/grants which are designated to determine the extent of compliance with existing Federal laws and judicial decisions, Federal regulations and Bureau policies. Is capable of participating in any activities or functions of the Chief and does so at the direction of the Chief and acts with the full authority of the Chief.

The National oversight staff is comprised of 25 staff at four locations. Contracts and grants subject to oversight review total in excess of two hundred million dollars annually and represent services the Bureau is obligated by law to make available to Indians. Individual contracts may total more than one million dollars in some cases; frequently they will be for several hundred thousands of dollars. Management requirements under review are complex and vary to some extent with the size and purpose of the contract. Contracts may be for performance of Bureau programs such as social services, vocational or higher education, forestry management, special education, housing improvement, law and order, etc.

Due to the large span of control, geographical separation, and regional differences in program priority needs, the Chief travels extensively to meet with regional oversight staff in the regional locations or at field offices where oversight reviews are in progress. Because of the Departmental impact of activities of this office, immediate decisions and actions may be required of the office Chief. In such circumstances the incumbent serves with the full authority of the Chief in the national office, located in Washington, D.C. The national staff is made up of approximately 12 contract, grant and property administration analysts at the GS 13 and 14 level, and approximately nine support staff at the GS 7 through 12 level.

REPRESENTATIVE DUTIES

The duties of this position include:

1. Developing or supervising development of annual work plans for regional staff activities within the overall planned activity structure of the national oversight staff.
2. Assigning activities to staff members, monitoring their completion, and providing evaluation and guidance at various levels of completion of the activities. Activities assigned are audit-like, such as selecting agencies or categories of agencies to receive oversight reviews for certain program activities or combinations of activities or functions; e.g., review of all multi-tribal agencies (in a designated Area jurisdication) in which law and order contracting occurs and in which no GAO or I.G. audits have been completed within two years. Other assignments may relate to such responsibilities as property procurement, utilization or management.
3. Managing the day-to-day priorities and operations of the oversight unit.
4. Establishing and maintaining liaison Inspector General (OIG)/General Accounting Office (GAO) Washington and Regional Staff, Area Directors, Central Office Program Directors and other key management staff.
5. Providing guidance to staff in:
    - A. developing or modifying evaluation instruments to be used in field evaluations of self-determination activities;
    - B. selecting Bureau activity areas in which to prepare policy analysis and recommendations;
    - C. establishing methods to ensure GAO, OIG, recommendations are being implemented;
    - D. determining types of technical assistance and training to be arranged for Bureau staff and methods and timing for delivery; and
    - E. conducting field evaluations, preparing reports and recommendations, to the Deputy Assistant Secretary - Indian Affairs (Operations) for improving field management of P.L. 93-638 programs.
    - F. Monitoring the results of negotiation and determination of indirect costs under P.L. 93-638 for compliance with legal and regulatory requirements and sound business practices.
    - G. receiving regional management reports, analyzing, and making policy recommendations based on data contained therein. Reports deal with Departmental and Treasury concerns regarding

letter of credit usage, program performance and monitoring closeout of completed instruments and other management concerns.

B. FACTORS.

1. Knowledge and Abilities Required by the Position.

General knowledge of Congressional intent and legislation, appeal proceedings, judgments, and legal opinions impacting on Public Law 93-638 activities and, Federal-Tribal intergovernmental policies, programs and services.

Working knowledge of procurement/grants regulations (Federal, Interior, Bureau) and GSA/OMB regulations and guidelines necessary to understanding policies, regulations, and procedures essential to effective use of legal instrument.

Exceptional knowledge and understanding of management applications, demonstrated analytical and writing abilities, knowledge of review methods and procedures, statistical sampling techniques, analytical instruments, assessments techniques and interview formats. Ability and skill in planning and implementing complex tasks.

2. Supervisory Controls.

Incumbent works under general direction of the Director, Office of Administration. Located in Washington, D.C. the incumbent operates with considerable independence under very general policy direction.

3. Guidelines.

Guidelines include self-determination contract/grant laws, regulations, and policy, OMB Circulars, Executive Orders, GAO decisions, OIG recommendations, and evaluation protocols and guidelines. Evaluation actions which require originality in assessment procedures and novel approaches for situations where guidelines do not exist or are not applicable. Frequently required to develop and implement of assessment techniques and instruments applicable to a particular review. These approaches have a Bureauwide impact because of the magnitude of the Contract Office program and its significance to the achievement of Bureau goals.

4. Complexity.

Work consists of managing the planning, conducting, and reporting on program results of Contract Offices in which total procurement/grants activities are valued at tens of millions of dollars. The incumbent manages the conduct of reviews of procurement plans, contracts/grants documents and awards, Bureau/contractor performance, and supportive management systems of Contract Offices on a scheduled basis. Incumbent must resolve highly specialized problems and issues that affect delivery of services.

Incumbent develops or supervises development of solutions to meet a wide variety of complex program surveys and reviews, tracking of efforts, data/information collection and presentations, and management systems. Considers alternative courses and their consequences to determine the most desirable alternatives and recommends such action to the Assistant Secretary.

5. Scope and Effect.

Incumbent plans and implements of an assessment strategy for reviewing and evaluating the P.L. 93-638 contracts/grants elements carried on by Bureau Area and Agency Offices in all regions. Provides expert monitoring and oversight support to the Director, Office of Administration, and provides program-oriented recommendations. The evaluation work is critical to successful management of the Bureau's mission responsibilities under P.L. 93-638

6. Personal Contacts.

Incumbent establishes and maintains liaison and professional contacts with counterpart administrative, legal, financial, supervisory, and management personnel at Bureau Offices, Tribal/Alaska Native communities, private and public sector advocacy groups, State governments, and Federal audit agencies. The persons contacted and the purpose of the contacts vary according to the type, degree, complexity, and nature of the issues involved.

7. Purpose of Contacts.

Incumbent resolves problems involving conflicting priorities and disputes on evaluation actions; holds briefings and makes presentations; provides concurrences to proceed with various assessment actions; provides advice, assistance and counsel where needed; and makes timely and appropriate recommendations to Regional and Washington, D.C. personnel. Conducts management briefings to provide advice on high-value program matters. The purpose of extra agency contacts is to exchange information, respond to inquiries, assisting in cooperative ventures and explain Bureau policies.

8. Physical Demands.

The work is primarily sedentary in nature. There is requirement for extensive travel within the jurisdictional area to conduct program results reviews, provide technical assistance, and monitor Area Office levels of effort and progress under P.L. 93-638.

9. Work Environment.

The incumbent performs work in an office setting provided by the Bureau of Indian Affairs. Work will also be conducted in other government installations, in offices of Tribal governments, and in a variety of urban/rural locales.

638 Oversight

4 Positions

- 1 Central Office
- 1 Portland Area
- 1 Albuquerque Area
- 1 Minneapolis Area

Supervisory Self-Determination Contract/Grant Oversight Analyst, GM-14
(3 Regional Positions)

Division of Self-Determination Contracting and Grants Oversight

Office of Administration

Bureau of Indian Affairs

INTRODUCTION

The Division of Self-Determination Contracting and Grants Oversight provides staff assistance, through the Director, Office of Administration, to the Deputy Assistant Secretary - Indian Affairs (Operations) designed to improve field management of contracted programs under P.L. 93-638. Staff assistance includes (1) evaluation of the contract and grant award and administration, and property administration processes for conformance to law, regulation and sound management principles; (2) policy analysis and recommendations; (3) monitoring field implementation of General Accounting and Office of Inspector General recommendations for improving contract and grant administration; (4) arranging for technical assistance or training of field administrative and program staff to meet critical management needs; and (5) making recommendations for improving program administration or contracts/ grants administration pertinent to P.L. 93-638.

The incumbent supervises staff performance (approximately three GS 12/13 specialists and two support staff) of a variety of review and analysis services for the Bureau's 638 contracts/grants which are designed to determine the extent of compliance with existing Federal laws and judicial decisions, Federal regulations and Bureau policies.

Contracts and grants subject to oversight review total in excess of $60 million annually and represent services the Bureau is obligated by law to make available to Indians. Individual contracts may total more than one million dollars in some cases; frequently they will be for several hundred thousands of dollars. Management requirements under review are complex and vary to some extent with the size and purpose of the contract. Contracts may be for performance of Bureau programs such as social services, vocational or higher education, forestry management, special education, housing improvement, law and order, etc.

REPRESENTATIVE DUTIES

The duties of this position include:

1. Developing annual work plans for regional staff activities within the overall planned activity structure of the national oversight staff.

2. Assigning activities to staff members, monitoring their completion, and providing evaluation and guidance at various levels of completion of the activities. Activities assigned are audit-like, such as selecting agencies or categories of agencies to receive oversight reviews for certain program activities or combinations of activities or functions; e.g., review of all multi-tribal agencies (in a designated Area jurisdication) in which law and order contracting occurs and in which no GAO or I.G. audits have been completed within two years. Other assignments may relate to such responsibilities as property procurement, utilization or management.

3. Managing the day-to-day priorities and operations of the oversight unit.

4. Establishing and maintaining liaison Inspector General (OIG)/General Accounting Office (GAO) Washington and Regional Staff, Area Directors, Central Office Program Directors and other key management staff.

5. Providing guidance to staff in:

   A. developing or modifying evaluation instruments to be used in field evaluations of self-determination activities;

   B. selecting Bureau activity areas in which to prepare policy analysis and recommendations;

   C. establishing methods to ensure GAO, OIG, recommendations are being implemented;

   D. determining types of technical assistance and training to be arranged for Bureau staff and methods and timing for delivery; and

E. conducting field evaluations, preparing reports and recommendations, to the Deputy Assistant Secretary - Indian Affairs (Operations) for improving field management of P.L. 93-638 programs.

F. Monitoring the results of negotiation and determination of indirect costs under P.L. 93-638 for compliance with legal and regulatory requirements and sound business practices.

G. receiving regional management reports, analyzing, and making policy recommendations based on data contained therein. Reports deal with Departmental and Treasury concerns regarding letter of credit usage, program performance and monitoring closeout of completed instruments and other management concerns.

B. FACTORS.

1. Knowledge and Abilities Required by the Position.

General knowledge of Congressional intent and legislation, appeal proceedings, judgments, and legal opinions impacting on Public Law 93-638 activities and, Federal-Tribal intergovernmental policies, programs and services.

Working knowledge of procurement/grants regulations (Federal, Interior, Bureau) and GSA/OMB regulations and guidelines necessary to understanding policies, regulations, and procedures essential to effective use of legal instrument.

Exceptional knowledge and understanding of management applications, demonstrated analytical and writing abilities, knowledge of review methods and procedures, statistical sampling techniques, analytical instruments, assessments techniques and interview formats. Ability and skill in planning and implementing complex tasks.

2. Supervisory Controls.

Incumbent works under general direction of the Director, Office of Administration. Located in Washington, D.C. the incumbent operates with considerable independence under very general policy direction.

3. Guidelines.

Guidelines include self-determination contract/grant laws, regulations, and policy, OMB Circulars, Executive Orders, GAO decisions, OIG recommendations, and evaluation protocols and guidelines. Evaluation actions which require originality in assessment procedures and novel approaches for situations where guidelines do not exist or are not applicable. Frequently required to develop and implement of assessment techniques and instruments applicable to a particular review. These approaches have a Bureauwide impact because of the magnitude of the Contract Office program and its significance to the achievement of Bureau goals.

4. Complexity.

Work consists of managing the planning, conducting, and reporting on program results of Contract Offices in which total procurement/grants activities are valued at tens of millions of dollars. The incumbent manages the conduct of reviews of procurement plans, contracts/grants documents and awards, Bureau/contractor performance, and supportive management systems of Contract Offices on a scheduled basis. Incumbent must resolve highly specialized problems and issues that affect delivery of services.

Incumbent develops or supervises development of solutions to meet a wide variety of complex program surveys and reviews, tracking of efforts, data/information collection and presentations, and management systems. Considers alternative courses and their consequences to determine the most desirable alternatives and recommends such action to the Assistant Secretary.

5. Scope and Effect.

Incumbent plans and implements of an assessment strategy for reviewing and evaluating the P.L. 93-638 contracts/grants elements carried on by Bureau Area and Agency Offices in all regions. Provides expert monitoring and oversight support to the Director, Office of Administration, and provides program-oriented recommendations. The evaluation work is critical to successful management of the Bureau's mission responsibilities under P.L. 93-638

6. Personal Contacts.

Incumbent establishes and maintains liaison and professional contacts with counterpart administrative, legal, financial, supervisory, and management personnel at Bureau Offices, Tribal/Alaska Native communities, private and public sector advocacy groups, State governments, and Federal audit agencies. The persons contacted and the purpose of the contacts vary according to the type, degree, complexity, and nature of the issues involved.

7. Purpose of Contacts.

Incumbent resolves problems involving conflicting priorities and disputes on evaluation actions; holds briefings and makes presentations; provides concurrences to proceed with various assessment actions; provides advice, assistance and counsel where needed; and makes timely and appropriate recommendations to Regional and Washington, D.C. personnel. Conducts management briefings to provide advice on high-value program matters. The purpose of extra agency contacts is to exchange information, respond to inquiries, assisting in cooperative ventures and explain Bureau policies.

8. Physical Demands.

The work is primarily sedentary in nature. There is requirement for extensive travel within the jurisdictional area to conduct program results reviews, provide technical assistance, and monitor Area Office levels of effort and progress under P.L. 93-638.

9. Work Environment.

The incumbent performs work in an office setting provided by the Bureau of Indian Affairs. Work will also be conducted in other government installations, in offices of Tribal governments, and in a variety of urban/rural locales.

638 Oversight

8 Positions

- 2 Central Office
- 2 Portland Area
- 2 Minneapolis Area
- 2 Albuquerque Area

4 of these positions are GS-11/12/13 positions

Self-Determination Contract/Grant Oversight Analyst, GS-13

Division of Self-Determination Contracting and Grants Oversight

Office of Administration

Bureau of Indian Affairs

INTRODUCTION

The Division of Self-Determination Contracting and Grants Oversight provides staff assistance through the Director, Office of Administration, to the Deputy Assistant Secretary - Indian Affairs (Operations) designed to improve field management of contracted programs under P.L. 93-638. Staff assistance includes (1) evaluation of the contract and grant award and administration, and property administration processes for conformance to law, regulation and sound management principles; (2) policy analysis and recommendations; (3) monitoring field implementation of General Accounting and Office of Inspector General recommendations for improving contract and grant administration; (4) arranging for technical assistance or training of field administrative and program staff to meet critical management needs; and (5) making recommendations for improving program administration or contracts/grants administration pertinent to P.L. 93-638.

The incumbent performs a variety of review and analysis services for the Bureau's 638 contracts/grants which are designed to determine the extent of compliance with existing Federal laws and judicial decisions, Federal regulations and Bureau policies.

REPRESENTATIVE DUTIES

The duties of this position include:

1. Assisting in the development of annual work plans for regional staff activities within the overall planned activity structure of the national oversight staff.

2. Carrying out or leading teams in the evaluation of contract and grant field activities, monitoring field implementation of prior GAO, OIG and oversight recommendations. Recommends selection of agencies or categories of agencies to receive oversight reviews for certain program activities or combinations of activities or functions; e.g., review of all multi-tribal agencies (in a designated Area jurisdication) in which law and order contracting occurs and in which no GAO or OIG audits have been completed within two years. Other assignments may be audit-like and relate to such responsibilities as property procurement, utilization or management.

3. Works independently to meet the day-to-day priorities and operations of the oversight unit.

4. As assigned by the Supervisory Analyst, carries on necessary liaison with staff of Inspector General (OIG)/General Accounting Office (GAO), Washington and Regional Staff, Area Directors, Central Office Program Directors and other key management staff.

5. Under broad direction of the supervisor, acts as appropriate to:

A. develop or modify evaluation instruments to be used in field evaluations of self-determination activities;

B. select Bureau activity areas in which to prepare policy analysis and recommendations;

C. establish methods to ensure GAO, OIG, recommendations are being implemented;

D. determine types of technical assistance and training to be arranged for Bureau staff and methods and timing for delivery; and

E. conduct or lead teams to conduct field evaluations, prepare reports and recommendations for submission to the Deputy Assistant Secretary - Indian Affairs (Operations) for improving field management of P.L. 93-638 programs. Recommendations are usually accepted.

F. Monitor the results of negotiation and determination of indirect costs under P.L. 93-638 for compliance with legal and regulatory requirements and sound business practices.

G. receive regional management reports, analyze, and make policy recommendations based on data contained therein. Reports deal with Departmental and Treasury concerns regarding letter of credit usage, program performance and monitoring closeout of completed instruments, and other management concerns.

B. FACTORS.

1. Knowledge and Abilities Required by the Position.

General knowledge of Congressional intent and legislation, appeal proceedings, judgments, and legal opinions impacting on Public Law 93-638 activities and, Federal-Tribal intergovernmental policies, programs and services.

Working knowledge of procurement/grants regulations (Federal, Interior, Bureau) and GSA/OMB regulations and guidelines necessary to understanding policies, regulations, and procedures essential to effective use of legal instrument.

Exceptional knowledge and understanding of management applications, demonstrated analytical and writing abilities, knowledge of review methods and procedures, statistical sampling techniques, analytical instruments, assessments techniques and interview formats. Ability and skill in planning and implementing complex tasks.

2. Supervisory Controls.

Incumbent works under general direction of the Supervisory Analyst. The incumbent operates with considerable independence under very general policy direction. Incumbent receives assignments in terms of broad analytical objectives, and independently develops and carries out studies. Work is reviewed in terms of appraisal of accomplishments.

3. Guidelines.

Guidelines include self-determination contract/grant laws, regulations, and policy, OMB Circulars, Executive Orders, GAO decisions, OIG recommendations, and evaluation protocols and guidelines. Evaluation actions which require originality in assessment procedures and novel approaches for situations where guidelines do not exist or are not applicable. Frequently required to develop and implement of assessment techniques and instruments applicable to a particular review.

4. Complexity.

Work consists of managing the planning, conducting, and reporting on program results of Contract Offices in which total procurement/ grants activities are valued at tens of millions of dollars. The incumbent manages the conduct of reviews of procurement plans, contracts/grants documents and awards, Bureau/ contractor performance, and supportive management systems of Contract Offices on a scheduled basis. Incumbent must resolve highly specialized problems and issues that affect delivery of services. The boundaries of the studies conducted are often difficult to determine in advance, and the findings frequently set patterns for future studies.

Incumbent develops or supervises development of solutions to meet a wide variety of complex program surveys and reviews, tracking of efforts, data/ information collection and presentations, and management systems. Considers alternative courses and their consequences to determine the most desirable alternatives and recommends such action to the Assistant Secretary.

5. Scope and Effect.

Incumbent plans and implements an assessment strategy for reviewing and evaluating the P.L. 93-638 contracts/grants elements carried on by Bureau Area and Agency Offices in all regions. Provides expert monitoring and oversight support to the Director, Office of Administration, and provides program-oriented recommendations. Work has Bureauwide impact because of the magnitude of self-determination contracting and their significance in the achievement of Bureau goals. The evaluation work is critical to successful management of the Bureau's mission responsibilities under P.L. 93-638

6. Personal Contacts.

Incumbent establishes and maintains liaison and professional contacts with counterpart administrative, legal, financial, supervisory, and management personnel at Bureau Offices, Tribal/Alaska Native communities, private and public sector advocacy groups, State governments, and Federal audit agencies. The persons contacted and the purpose of the contacts vary according to the type, degree, complexity, and nature of the issues involved.

7. Purpose of Contacts.

Incumbent resolves problems involving conflicting priorities and disputes on evaluation actions; holds briefings and makes presentations; provides concurrences to proceed with various assessment actions; provides advice, assistance and counsel where needed; and makes timely and appropriate recommendations to Regional and Washington, D.C. personnel. Conducts management briefings to provide advice on high-value program matters. The purpose of extra agency contacts is to exchange information, respond to inquiries, assisting in cooperative ventures and explain Bureau policies.

8. Physical Demands.

The work is primarily sedentary in nature. There is requirement for extensive travel within the jurisdictional area to conduct program results reviews, provide technical assistance, and monitor Area Office levels of effort and progress under P.L. 93-638.

9. Work Environment.

The incumbent performs work in an office setting provided by the Bureau of Indian Affairs. Work will also be conducted in other government installations, in offices of Tribal governments, and in a variety of urban/rural locales.

638 Oversight

1 Position

Central Office

Secretary, GS-7

Division of Self-Determination Contracting and Grants Oversight

Office of Administration

Bureau of Indian Affairs

INTRODUCTION

The Division of Self-Determination Contracting and Grants Oversight provides staff assistance through the Director, Office of Administration, to the Deputy Assistant Secretary - Indian Affairs (Operations) designed to improve field management of contracted programs under P.L. 93-638. Staff assistance includes (1) evaluation of the contract and grant award and administration, and property administration processes for conformance to law, regulation and sound management principles; (2) policy analysis and recommendations; (3) monitoring field implementation of General Accounting and Office of Inspector General recommendations for improving contract and grant administration; (4) arranging for technical assistance or training of field administrative and program staff to meet critical management needs; and (5) making recommendations for improving program administration or contracts/grants administration pertinent to P.L. 93-638.

REPRESENTATIVE DUTIES

Incumbent serves as Secretary to the Chief, Division of Self-Determination Contracting and Grants Oversight and is responsible for performing a variety of administrative and secretarial duties. Specifically, the incumbent:

-- Prepares, edits and types a variety of letters, memoranda, management studies, special reports and statistical reports, from rough drafts, handwritten notes, oral instructions, or voice recordings.

-- Reviews and logs incoming correspondence and routes it to the Chief, ensuring that adequate records of correspondence are maintained and that the Chief is reminded of due dates as required to comply with accepted Bureau, Departmental and Governmental standards for responding to correspondence. Alleviates the Chief's workload by responding, on own initiative and knowledge, to non-technical incoming correspondence.

-- In the absence of the Chief, the incumbent assumes responsibility for ensuring that requests for action or information, which would normally be handled by the Chief, are made known to responsible staff who can satisfy the request. Monitors resulting activities for the purpose of briefing the Chief. Independently decides whether important or emergency matters should be brought to the Chief's attention when the Chief is absent, but accessible.

-- Reviews and edits correspondence and documents prepared for signature of various officials of the Bureau of Indian Affairs and Department of the Interior requiring coordination by the Chief for conformance with regulations, grammar, format, and special policies of the Bureau. On own initiative, returns such communications to the originator for correction when not in conformance with known policies or correspondence regulations. Gives advice and instructions to regional staff offices through discussions with author or typists to obtain higher degree of compliance with Bureau policies and correspondence regulations.

-- Reviews incoming publications, regulations, and directives to determine which may be important to the activities of the Chief, or members of the Central Office or regional staff. Refers those of importance or interest to the Chief.

-- Reviews requests from other organizations within the Bureau for information concerning programs under the office's control. From available background research data, assembles requested information or follows up to see that subordinates submit requested answers within the specified time.

-- Assembles correspondence for the Chief assuring that material is accurate, enclosures are attached, number of copies is correct, and that routing for clearances is in conformance with the subject matter of the correspondence.

-- Prepares statistical charts and material, such as budget justifications and requests, ensuring that material is in proper sequence and supplementary documents are properly assembled for transmittal.

-- Makes complete travel arrangements; i.e., travel authorizations, requests for fund advances, travel vouchers or other documents required by travelers. Takes action to assure that travelers do not accrue outstanding travel advances, that advances are liquidated in a timely manner.

-- Prepares administrative documents; e.g., requisitions and requests for personnel actions, ensuring that forms are properly completed and that supporting documentation is attached. Keeps cuff accounts for operational and contractual expenditures and keeps Chief informed of status of such funds. Prepares justifications when necessary for expenditures of such funds.

-- Arranges for meetings and conferences with attention to details such as meeting location, time and attendees. Ensures that all materials required for such as meetings are correctly assembled and prepared for distribution and use of participants. Attends conferences for the purpose of preparing summaries of conversations and reminds the Chief of any commitments made during such conferences. Prepares reports of the proceedings of conferences when required.

-- Explains to inquiring Bureau personnel, non-technical policies and procedures promulgated by the office after obtaining clarification from source, or upon researching. Makes recommendations and decisions in establishing priorities among actions on administrative matters requested by the various staff of the Division.

-- Prepares worksheet and types staff evaluations on proficiency ratings of Branch Chiefs under the administrative responsibility of the Chief.

-- Serves as liaison between the Chief and the office staff as well as with other offices and regional offices by providing accurate, timely advice on procedures, reports, requirements and other matters necessary to implement the Bureau's policies, directives, and instructions. Informs staff of the current Bureau policy issues on affected programs.

-- Based upon knowledge of the office's responsibilities and operations, anticipates the need for background information on a wide range of subjects handled by the office. Personally conducts research for material or requests such material from appropriate individuals or offices.

-- Prepares and presents to the Division Chief synopsis/summaries of selected documents received in order to expedite review and processing of divisional assignments.

-- Reviews documents/assignments received and prioritizes them for review and action by the Chief.

-- Maintains a daily calendar for the Chief and independently schedules appointments for him/her.

Knowledge Required by the Position:

-- Incumbent must have a working knowledge of English grammar and spelling, and a knowledge of correct correspondence preparation policies and procedures used by the Federal Government, the Department, the Bureau of Indian Affairs, and the General Accounting Office, in order to properly prepare correspondence, study reports, and assist in other assignments.

-- Incumbent must have a working knowledge of the Bureau's organizational structure and the function of each segment of the organization in order to properly route correspondence for necessary clearances, and to conduct the minimal research necessary to ensure accuracy of correspondence and to arrange meetings or conferences.

-- Incumbent must have a working knowledge of the type of assignments given to each Branch of the Division and to individuals within the Division in order to effectively assist the Chief in the proper routing of callers and correspondence and to assemble background information which may be required by the Chief.

-- Incumbent must have working knowledge of filing systems applicable to the Bureau in order to properly establish, maintain and dispose of files.

-- Incumbent must have the ability to independently conduct research related to such functional assignments as audits, departmental or Bureau directives, information collection requirements, organization, etc. in order to provide current information for action by the Chief.

Supervisory Controls:

The incumbent performs assigned duties with a minimum of supervision under the direction of the Chief, and may work directly with subordinate analysts in the preparation of a variety of technical and non-technical material for conferences, budget hearings, congressional hearings, etc. Incumbent is expected to rely on own judgment in completing assignments of a routine or recurring nature. In day-to-day performance of duties, incumbent exercises a great deal of independence, initiative, and judgment as long as completed work is consistent with overall instructions.

Guidelines:

Guidelines include the Bureau and Departmental Manuals, statements of Bureau and Departmental policies, Federal correspondence guidelines, written instructions or procedures for completing administrative forms, oral or written instructions on special assignments, and generally accepted secretarial practices.

Incumbent must be able to interpret such guidelines and instruct the Division staff and Division secretaries on changes, new rules, etc.

Complexity:

Due to the nature of the work of the office, work of the incumbent will encompass unique, as well as recurring, assignments with incumbent responsible for working from a variety of sources including handwritten rough drafts, outlines, verbal instructions, voice recordings, and previously typed materials. Incumbent will be expected to make decisions and set priorities in accordance with established guidelines. Incumbent will use established procedures to independently undertake research related to assignments.

Scope and Effect:

The incumbent is expected to efficiently accomplish clerical and administrative work in top quality form to not only facilitate the work of others in the immediate organization but also the work flow of managers throughout the Bureau. As most material leaving the office is reviewed by the Deputy Assistant Secretary for Operations or Departmental managers, the impact of the incumbent's work is greatly relied upon for accuracy.

Personal Contacts:

Personal contacts are with other employees of the Division; various other offices within the Bureau, the Department, and other Federal agencies; members of the general public; and Indian tribal officials. Contacts may be either in person or over the telephone.

Purpose of Contacts:

Contacts are made to exchange information, to resolve problems concerning assignments, to clarify specialized terminology, and to respond to inquiries about correspondence or responsibilities of the Division.

Physical Demands:

Work is of sedentary nature but may require moderate walking, lifting and carrying of materials.

Work Environment:

Work is performed in an office provided by the Department of the Interior.

638 Oversight

4 Positions

1 Central Office

1 Portland Area

1 Minneapolis Area

1 Albuquerque Area

Self-Determination Contracts/Grants Assistant GS-7

Division of Self-Determination Contracts and Grants Oversight

Office of Administration

Bureau of Indian Affairs

INTRODUCTION

The Division of Self-Determination Contracts and Grants Oversight through the Director, Office of Administration provides staff assistance to the Deputy Assistant Secretary - Indian Affairs (Operations) designed to improve field management of contracted programs under P.L. 93-638. Staff assistance includes (1) evaluation of the contract and grant award and administration processes for conformance to law, regulation and sound management principles; (2) policy analysis and recommendations; (3) monitoring field implementation of General Accounting and Office of Inspector General recommendations for improving contract and grant administration; (4) arranging for technical assistance or training of field administrative and program staff to meet critical management needs; and (5) making recommendations for improving program administration or contracts/grants administration pertinent to P.L. 93-638.

A. REPRESENTATIVE DUTIES

Incumbent performs a full-range of support services pertaining to Self-Determination under the management and direction of the Office. Additionally, works with considerable independence and own initiative to exercise authority and assume responsibility for day-to-day administrative details and schedules essential for the orderly operation of the Office staff. The incumbent has the following specific responsibilities:

1. Maintains performance schedules for all field installations relative to their preparation and submission of audit or evaluation responses, program data and information. Incumbent tracks and reviews submissions for accuracy, appropriateness and for conformance with reporting requirements. Collates, tabulates, and prepares final products for review and issuance or forwarding by professional staff.

2. Responds to substantive and procedural questions regarding technical activities that are within incumbent's scope of knowledge. Assembles, analyzes, and prepares statistical data and narrative information from Bureau activities. Prepares summaries of technical discussions for staff members. Assists staff persons in expediting routine and procedural work tasks.

3. Provides or recommends appropriate responses to written communications based on own skills and experience in content and procedural areas. Schedules and tracks replies by cognizant staff members. During peak periods of work, types reports or other documents using word processing equipment, and during such periods provides support services such as preparing travel schedules and arrangements.

4. Exercises initiative, judgment, foresight, and skill in generating data and resources pertinent to oversight of Self-Determination programs, editing pertinent sources, and preparing descriptive summaries from resource materials. Such materials may be used to propose types and methods of technical assistance and training for field contracts/grants staff, to select specific program activities for audit-oversight review, and to provide guidance to respondents on management progress reports.

5. Acts as office liaison person for contacts with non-Bureau groups such as Inspector General or General Accounting Office Staff, Tribal delegations and media, evaluating and screening requests for meetings with supervisor or senior office staff. Confers with staff members and recommends methods and timing of fulfilling requests.

6. Prepares and executes purchase orders for office location needs.

B. FACTORS.

1. Knowledge and Abilities Required by the Position. Technical skills appropriate to the planning and preparation of correspondence, management evaluation handbooks, oversight review, summaries, and reports for staff review.

   Ability to plan, devise, and implement statistical reporting protocols for collecting, storing, retrieving and preparing management information relative to office activities.

   Detailed knowledge of agency organizational, functional, structural and procedural systems to expedite staff work and program correspondence.

   General knowledge of regulations and guidelines related to Self-Determination contracts and grants.

   General knowledge of word-processing systems use and capabilities. Ability to review products and make recommendations in data processing areas.

   Exceptional degree of judgment, initiative, maturity, tact, and conceptual skills to deal with external and internal agency issues, problems, and factors.

2. Supervisory Controls. Incumbent performs duties and exercises responsibilities under general supervision and minimal direction.

The supervision may be provided in the form of a broad policy and procedural statement of performances and outputs to be achieved. Major duties are performed within organizational rules and guidelines, as well as from specific delegations of the supervisor. Incumbent exercises original thinking, initiative, and intelligence in resolving work-related assignments and interpersonal professional relationships.

3. Guidelines. Guidelines include Departmental and Bureau policies, regulations, directives, and procedural guidelines that impact on personnel, administrative, organizational and employee conduct. Exercises mature, creative, and relevant judgment in handling intramural and extramural duties and assigned responbilities.

4. Complexity. Incumbent serves as a resource on completing reports, and examines completed reports for accuracy and conformance with requirements. Incumbent develops or refines reporting requirements when they are lacking or inadequate.

5. Scope and Effort. Incumbent provides analysis and support services that enable the office staff to provide timely, appropriate, comprehensive and accurate professional and technical assistance, and assures that Bureau requirements are met. This contribution facilitates the work of higher level staff analysts that is essential to the Bureau's mission and to the policy, developmental, and management objectives of the office.

6. Personal Contacts. The incumbent maintains contacts with personnel in the immediate Office, the Department, other Federal agencies, Bureau Central Office and field locations, as well as private industry representatives, Congressional and OMB staff persons, and Tribal organizations that impact on and influence the Bureau's Self-Determination activity.

7. Purpose of Contacts. Incumbent provides information, personalized and individualized service, appropriate data, organizational referrals, and assistance relating to Bureau activities. Also, responds to inquiries concerning technical requirements, report deadlines, and administrative flow of prior submissions.

8. Physical Demands. The work is primarily sedentary in nature with many periods of intense concentration, attention to statistical details and application to correctness of terms and provisions in legal documents. Participates also in Bureau-sponsored or supported training courses.

9. Work Environment. The incumbent performs work in an office setting provided by the Bureau of Indian Affairs. Meetings may be held in other government buildings. Work also requires some bibliographic and resource reference work.

638 Oversight

3 Positions

- 1 Albuquerque Area
- 1 Portland Area
- 1 Minneapolis

Secretary GS-5

Division of Self-Determination Contracts and Grants Oversight

Office of Administration

Bureau of Indian Affairs

INTRODUCTION

The Division of Self-Determination Contracts and Grants Oversight provides staff assistance through the Director, Office of Administration, to the Deputy Assistant Secretary - Indian Affairs (Operations) designed to improve field management of contracted programs under P.L. 93-638. Staff assistance includes (1) evaluation of the contract and grant award and administration processes for conformance to law, regulation and sound management principles; (2) policy analysis and recommendations; (3) monitoring field implementation of General Accounting and Office of Inspector General recommendations for improving contract and grant administration; (4) arranging for technical assistance or training of field administrative and program staff to meet critical management needs; and (5) making recommendations for improving program administration or contracts/grants administration pertinent to P.L. 93-638.

A. REPRESENTATIVE DUTIES

Incumbent performs a variety of clerical duties pertaining to self-determination contract/grant evaluation activities of the office. The incumbent has the following specific responsibilities:

1. Prepares travel requests and vouchers for supervisor and staff. Manages appointment calendar and travel arrangements for supervisor.

2. Receives and places telephone calls. Welcomes visitors and screens those persons who can be handled without supervisor's assistance.

3. Reviews outgoing correspondence prepared by staff specialists for organizational, procedural, and grammatical correctness. Discusses deviations or inadequacies with the initiator.

4. Types correspondence, technical reports, management forms, statistical charts, negotiation records, and related materials from draft handwritten notes or from oral recordings.

5. Maintains office personnel time and attendance records. Adapts procedures to insure that records are current and accountability over sensitive documents is maintained at all times.

6. Assembles and maintains files for office activities. Institutes procedures for insuring that record systems are current and complete.

7. Discusses aspects of oversight reviews and evaluations with staff and with inquring visitors or callers. Is knowledgeable about grant/contract documents, GAO and OIG audit issuances and field responses. This effort includes such tasks as document typing and dissemination to required locations; preparing of appropriate cover documents and signatures; maintaining suspense files for timely responses.

8. Works extensively with word processors and calculation machines to provide permanent records.

B. FACTORS.

1. Knowledge and Abilities Required by the Position. Knowledge of the work of the organization sufficient to screen callers and visitors and personally provide appropriate information. Knowledge of grammar, spelling, and language usage, as well as familiarity with technical and legal terminology related to self-determination contracts and grants, audit documents of the General Accounting Office and Office of the Inspector General, and reviews and evaluations of office oversight staff.

   High level of technical skill in operating an electric typewriter and word processors.

   Ability to plan, develop and set-up statistical and graphic charts and tables.

   Knowledge of contract document and report language, format and provisions.

   Complete knowledge of and proficiency with clerical procedures for Office staff.

   Exceptional skill and ability in exercising tact and judgement as to releasing sensitive information and data to personnel outside the Agency.

   Knowledge of office format in composing routine memoranda, reports, and form letters pertaining to a variety of Office activities.

   General knowledge of regulations and Bureau procedures relative to Self-Determination contracts and grants.

2. Supervisory Controls. Incumbent performs clerical and typing duties and exercies responsibilities under supervision and direction from supervisor responsible for coordinating internal procedures. May receive detailed instructions on initial or unusual typing assignments. Product is spotchecked for compliance with general and standard procedures of appearance, timeliness, completeness, adherence to copy, and minimum number of errors. Incumbent exercises a great degree of independence, initiative and judgement in clerical duties. Final product or performance is reviewed for overall compliance with Bureau and Departmental policies and procedures.

3. Guidelines. Guidelines include Departmental and Bureau policies, rules, regulations, directives and procedural guidelines as well as agency manuals and bulletins, P.L. 93-638 contract/grant Regulations, the Correspondence Handbook, and similar guides. Incumbent exercises relevant judgment in locating, selecting and using the appropriate resource guidelines.

4. Complexity. Incumbent conducts routine and exceptional typing and clerical tasks. Final products (narrative, charts, graphs) are prepared without the intermediate step of a draft copy. Often, source materials and references are researched to find and gather appropriate data and information to be inserted in products. All typing products are prepared in proper form.

   Clerical work consists of numerous substantive and procedural tasks that vary in length or detail, depending on the nature and sequence of the assignment. Interacts with a variety of Office visitors and telephone callers who are properly handled on an individual basis.

5. Scope and Effect. Incumbent provides a broad range and scope of typing and clerical services that enable the Office staff to provide

timely, appropriate and accurate professional and technical resources and assures that Bureau requirements are met. These contributions facilitate the work of higher level staff specialists and enhance the effectiveness of the Office.

6. Personal Contacts. The incumbent maintains contacts with personnel in the immediate Office, as well as those in the Department, Bureau Central Office functional Codes, contractor's representatives, Tribal organizations and the general public.

7. Purpose of Contacts. Incumbent provides information, individualized service, resolves problems regarding assignments, clarifies special and technical terminology, and delivers completed work.

8. Physical Demands. The work is primarily sedentary in nature with some walking, stooping and bending movements related to filing and storing materials. Participates also in Bureau-sponsored or supported training courses.

9. Work Environment. The incumbent performs work in an office setting provided by the Bureau of Indian Affairs. Work also requires some resource reference and item search work.

Attachment 8

FY 1983 GRANT APPLICATIONS AWARDED SPECIAL GRANTS FOR ECONOMIC DEVELOPMENT

Tribe or Tribal Organization	Grant amount requested	Total Project Cost	Purpose of Grant
1. Skokomish	$ 25,000	$ 100,000	To purchase materials and supplies for a new tribal tribal restaurant.
2. Cherokee Nation of Oklahoma	125,000	500,000	To expand the horticultural production and sales area of the tribal enterprise - Cherokee Gardens.
3. Fort Hall	120,000	484,000	To install diesel pumps, develop restaurant, improve water system, install sewer system at their commercial complex on I-15.
4. Lummi	500,000	2,000,000	To purchase a marina which includes dry storage, grocery store, fuel sales, restaurant, boat and engine sales.
5. Navajo Agricultural Products Industy	500,000	2,839,500	To construct a second potato storage facility.
6. Burns Paiute	25,000	100,000	To expand farm enterprise by purchase of 160 acres, install irrigation system and working capital.
7. Suquamish	26,500	106,000	To develop a tribal exhibition enterprise.
8. Nez Perce	23,625	94,500	Purchase equipment for a limestone operation.
9. Devils Lake Sioux	500,000	4,225,639	Production of military helmets.
10. Passamaquoddy	50,000	250,000	Operation of a tribal store.
11. Coeur d'Alene	126,000	504,000	Tribal store operations.

FY 1983 GRANT APPLICATIONS AWARDED (cont.)

Tribe or Tribal Organization	Grant amount requested	Total Project Cost	Purpose of Grant
12. Jamestown Klallam	347,500	1,390,000	Real estate development project.
13. Quileute	25,000	100,000	Expansion of resort facility.
14. Kuskokwim Corp.	500,000	2,380,200	Purchase a tug and barge operations.
15. Makah	65,000	260,000	To expand a sand and gravel enterprise.
16. Jicarilla	500,000	2,000,000	Motel complex.
17. Comanche of Oklahoma	500,000	2,700,000	Oil and gas project.
18. Navajo	496,300	2,600,000	Electronic module plant.
19. Pojoaque	68,900	420,000	Grocery store.
20. Crow Creek	187,500	750,000	Construct a machine shop and grain storage bin.
21. Fort McDowell	31,250	125,000	Sand and gravel enterprise.
TOTAL	$4,742,575	$23,928,839	

FY 1984 GRANT APPLICATIONS APPROVED AS OF 3/31/84

Tribe or Tribal Organization	Grant amount requested	Total Project Cost	Purpose of Grant
1. Crow	$ 500,000	$2,000,000	Synfuels
2. Lac Courte Oreilles	500,000	3,840,000	Hydroelectic
3. Sisseton/ Wahpeton	125,000	500,000	Bingo enterprise
4. Colville	182,000	729,728	Post and Pole
TOTAL	$1,307,000	$7,069,728	

QUESTIONS SUBMITTED BY SENATOR MARK O. HATFIELD

Question: Has the BIA provided tribes with their Advices of Allotment pursuant to funds appropriated in the FY 1984 BIA Budget? What were the reasons for the delay? Did any of the delays involve the possible reprogramming of funds for the Automated Data Processing?

Answer: The Bureau does not make Advices of Allotment to tribes. Such documents are provided to Bureau officials charged with the responsibility for management of specific appropriations during the operating year. In FY 1984 a majority of the Operation of Indian Programs (OIP) funding has not yet been distributed on Advices of Allotment. Because of the uncertainty of achieving a consensus between the Administration and Congress on our proposed financing plan for the FY 1984 cost of ADP services, we have not issued final allotments for OIP. Instead, on March 21, 1984 revised tentative allocations were sent to each of the Area Offices. These revised allocations assume that we may have to reprogram funds to cover the entire cost of ADP services. The funds reserved for possible reprogramming do not affect the funds appropriated for the Indian School Equalization Program. The Areas were also instructed to apply the reductions from the original tentative allocations in such a way as to minimize effects on contracted programs.

Question: Last year the Congress made a $5 million reduction in the BIA request of $10 million for the Economic Development Initiative Grant program.

What has been the impact of this reduction on the program? Would additional funds, in fact, leverage the required 75% private matching requirements of the program, or would tribes be hard-pressed to take advantage of the program because of the lack of private funding sources?

Answer: We received 48 grant applications, all purporting to have available non-Federal matching shares of funding amounting to at least 75 percent of project costs. With the $5 million appropriated, we were able to award 21 grants. With additional funds we could have funded at least five more projects which have now received grants from the FY 1984 appropriations. It is relevant that tribes had only one-half of a program year in 1983 in which to prepare and submit grant applications. To date, we have received 63 grant applications, all claiming to be able to raise 75 percent of financing costs from non-Federal sources.

Question: In FY 1983 the Senate proposed to provide $5 million for Core Management Grants to Small Tribes, However, only $2.5 million was provided by the conferees. How has this affected tribes currently involved with the program and how has it implicated tribes seeking such assistance for the first time? Have any funds been proposed for reprogramming out of this activity? To what other programs were they transferred?

Answer: The level and timing of the appropriation had considerable effect on both participating and nonparticipant tribes. The impact on tribes was also influenced by how each Area Office administered the program within the guidelines provided. For example, one area awarded grants to almost all of the eligible tribes in its jurisdiction. This amounted to 25 grants from slightly over $300,000 in grant funds allocated to the area. This procedure generated numerous complaints from tribes because of insufficient funding. It should be noted that two of the tribes did amazingly well in accomplishing program objectives with very small grants. One area made relatively large grants. This, of course, resulted in a number of applicants not receiving grants. The other areas were somewhere in between these two extremes.

As to the influence of the level of funding on the program, the most immediate result was the number of grants which were awarded in relation to the number of applications received. The ten participating Area Offices indicate that grants were funded for approximately 60 percent of the FY 1983 applicants. This will rise in FY 1984 as more small tribes become aware of and are sufficiently organized to prepare applications for the program.

Another result of the reduced first year funding level was the short duration of the grants. Most FY 1983 grants were awarded for a five to six month period because of the lateness of the appropriation. A review of applicant problem/need statements indicate almost all small tribes experience long term, multiple problems. Therefore, there was no expectation that first year grantees would fully accomplish and maintain sound management systems with their first grant. Consequently, provisions in the regulations allowed for renewal grants to tribes making substantial progress in meeting first year grant objectives. Not all FY 1983 grantees automatically received renewal grants in FY 1984. This indicates that the Area Offices are administering and overseeing the program quite well under the regulatory provisions and guidance material established for the program.

The funding level and short cycle grants in FY 1983 had the greatest impact on first time FY 1984 applicants. Fewer than ten new grantees were funded in FY 1984 despite an appropriation of $3.5 million, compared to $2.5 million in FY 1983. Further, only 110 grants were awarded in FY 1983. This provided assistance to about 170 of the more than 400 potential grantees among small tribes and Alaska Native villages. It is also important to note that the tribes expected a 100 percent increase in their grant renewals for a full year program over the short FY 1983 funding cycle. In FY 1983 the Bureau did not reprogram any Core Management funds to other programs.

Question: How many new tribes were recognized in fiscal years 1983, and 1984 and how many are anticipated in FY 1985? Are funds sufficient in the FY 1985 request to cover needs for all these tribes or will reprogramming be necessary?

Answer: Twenty-four new tribes have been recognized or reinstated during fiscal years 1983 and 1984. We anticipate three more new tribes will be recognized during FY 1985. We believe that the funds requested for FY 1985 are sufficient to cover the needs for all of these tribes. We anticipate that only 4 to 6 new tribes will be sufficiently prepared to receive full level funding. The other new tribes will still be in the process of assessing their funding needs.

QUESTIONS SUBMITTED BY SENATOR JAKE GARN

Question: What specific improvements have been made in the special programs at Phoenix and Sherman as a result of the Bureau's plan to upgrade them?

Answer: The Bureau has transferred the Solo-Parent program from Intermountain to Sherman Indian School in Riverside, California and Flandreau Indian School in Flandreau, South Dakota. Currently, Sherman has 12 students enrolled in the program and Flandreau has 8. The Intensive Residential Guidance (IRG) programs at both Phoenix and Sherman have been examined very closely over the past year, with needed modifications implemented continuously. The Bureau feels that the IRG programs at Phoenix and Sherman are now comparable to the Intermountain program. The vocational education program at Phoenix is being restructured to provide the same type of program previously offered by Intermountain.

Question: Are there sufficient funds in the Bureau's budget to continue the process of upgrading the special programs at Phoenix and Sherman past May of this year?

Answer: There will be sufficient funds in the Bureau's existing budget to continue the special programs at Phoenix and Sherman past May of this year.

Question: What are the Bureau's future plans to continue the process of upgrading these programs after Intermountain has closed?

Answer: The overall process of upgrading these special programs at Phoenix and Sherman will be completed by the time Intermountain closes. The Bureau will continue these programs at the planned levels commensurate with the numbers of students transferring to and continuing to attend the two schools.

QUESTIONS SUBMITTED BY SENATOR MARK ANDREWS

Question: The Bureau's FY '85 Budget Justification describes a series of actions taken to change the method of distributing contract support funds, in order to comply with the Congressional directive of the House and Senate Interior Appropriations Subcommittees to move the funds from a separate line-item account to the program accounts. What is being done, now, to assure that proper follow-up steps have been, and will be, taken to implement these actions in a timely manner for FY '85 -- i.e., what kind of implementation procedures is the Bureau working on?

Answer: A number of steps have been taken to implement the Bureau's plan for combining Contract Support Funds (CSF) with program accounts beginning in FY 1985. During the months of November and December, 1983, extensive (10) consultation sessions with tribal representatives were conducted throughout the U.S. in an effort to explain and seek advice regarding proposed Bureau changes in the handling of CSF. As a consequence of these meetings, the Assistant Secretary - Indian Affairs, through his letter to all tribal leaders of January 13, 1984, advised that the Bureau would combine CSF with program accounts utilizing a "grandfathering" procedure. He also stated that in implementing this decision further tribal input would be sought. In that connection, a small committee which included a number of tribal representatives met in February 1984 for the purpose of discussing and recommending implementation procedures. The group's recommendations have recently been presented to the Assistant Secretary for his consideration. Follow-up procedures now being pursued by the Bureau for implementation in FY 1985 which are in line with the group's expressions include:

1. A review of all P.L. 93-638 contracts on a contract by contract basis for the previous three fiscal years is now underway to determine historical funding levels and CSF need requirements. This information will allow the Bureau to determine a fair and realistic total funding base for each contract under the new system.

2. To ensure the integrity of CSF, when combining CSF with program accounts, the Bureau plans to record information in its finance system on tribal contractor indirect or administrative costs during the operating year and include information on actual costs. Because of special circumstances in the School Operations, Johnson O'Malley, and Facilities Management programs we anticipate continuing to separately identify and budget for contract support funds within these activities/subactivities. All other program justifications will contain narrative information on the actual (prior year) funding for direct program costs and tribal contractor administrative or indirect costs. Because the distribution of funds to direct program costs or to tribal administrative (or indirect) costs for the current and budget years will be determined by the tribal contractors during the contract negotiation process, the Bureau is considering including an estimate for these funds in the budget justification narratives for those years. The estimate would be based upon projections of actual prior year data.

3. Indian School Equalization Formula (ISEF) funds are utilized as program funds for schools under contract. Since by law these funds cannot be mingled with other monies, we plan to establish a separate line item in our Education budget to contain CSF.

In the FY 1985 justifications the transferred amounts have not been merged into the various programs within each activity. As we implement the new funding method, the proper distribution of contract support funds will be made to each contract and each program. In FY 1986, these "base" funds will no longer be budgeted separately from direct program funds for most programs. Several exceptions include contracted programs under School Operations, Johnson O'Malley, and Facilities Management. Because of special circumstances in these programs we anticipate continuing to separately budget for contract support funds within these activities/subactivities.

Existing program contracts which receive base contract support funding during the FY 1985 cycle will no longer be eligible for additional contract support funds in FY 1986. The base distribution is one-time. Separate contract support funds will be requested each year (just as has been requested in FY 1985) to provide funds for new contracts. If an existing partial program contract (e.g., detention services rather than the entire law enforcement program) is later expanded to include additional contracted functions, the program expansion would be eligible for additional contract support funds. Merely increasing program funds without a real increase in function will not qualify a contracted program for additional contract support funds.

Question: The Budget Justification (p. 106) claims that the tribes "generally agree" with the new approach the BIA is taking for contract support funding. Several tribes dispute this statement. Please explain to this Subcommittee what type of tribal consultation has occurred and your factual basis for claiming the new approach has tribal support.

Answer: Congressional, OMB and Departmental concern regarding the increase in funding requirements for CSF has been expressed for a number of years and culminated in the FY 1983 Congressional directive to combine CSF with program accounts beginning in FY 1985. Up to this time, CSF has been a separate line item with the funding level requested for it dependent primarily on contractor indirect cost rates. Because indirect cost rates have steadily risen for a number of years, CSF requirements have been escalating and the Bureau has experienced significant shortfalls in this budget item. In order to comply with the above mentioned directive the Bureau had two special studies conducted by an outside contractor for the purpose of examining options for accomplishing this change. Included as a major option was to apply an amount of funds, disregarding contractor indirect cost rates, to new contracts to be determined by an analysis of the Bureau's overhead cost rate. This would have been in accord with Section 106(h) of P.L. 93-638 which states, "The amount of funds provided under the terms of contracts entered into pursuant to section 102 and 103 shall not be less than the appropriate Secretary would have otherwise provided for his direct operation of the programs or portions thereof for the period covered by the contract."

The budget justification refers to a meeting held in October, 1983, involving tribal representatives wherein the above option was discussed. There was general agreement that in lieu of applying funding based on an analysis of the Bureau's overhead costs a "grandfathering" procedure should be utilized which would reflect tribal contractor historical experience. Consequently, the Bureau's decision to "grandfather" funding levels based on contractors' actual experience is favored by tribes over the option to apply a standard amount of funds contingent upon BIA overhead costs. The consultation sessions referred to above in the previous answer and subsequent written correspondence from tribes have substantiated this preference. While there may be dissatisfaction with the basic change in the delivery of CSF, we believe it is generally understood and accepted that this new procedure has been mandated by Congress and not subject to change by the Bureau. Absent consideration of the Congressional directive to combine CSF with program accounts, there was and is general agreement that the method preferred by tribes for making the changes is to fold in or "grandfather" in funding levels which reflect actual contractor experience.

Since contractor indirect cost rates will no longer be considered in determining the amount of CSF beginning in FY 1985, it is important that FY 1984 funding be adquate not only for effective operation of contracts, but to serve as an essential aid for the Bureau in establishing a realistic base funding level for contracts in FY 1985. A shortfall in FY 1984 and FY 1985 may reduce effectiveness in contractor operations and impede a smooth transition to the new system. In that regard, tribal comments during our consulatation sessions reflected the view that inherent in the new system is the understanding that contract funding levels would reflect actual contractor experience.

Question: Can the approach to contract support work if there is not sufficient funding for FY '84 and FY '85 for contract support?

Answer: Under the new system, a total funding base to cover direct and indirect costs will be established under program accounts and tribal contractors will be obliged to operate their contracts within these base amounts. This new procedure will eliminate shortfall problems and allow contractors to plan and operate contracts with a known funding level when beginning contract operations.

The key to the new approach is to provide adequate funds at the time of the merger of program and contract support funds. If it becomes apparent that the base funding is insufficient, the Bureau intends to explore all available alternatives to correct the shortfall.

Question: Does the BIA have sufficient funding for contract support to meet the 100% negotiated rate with the Tribes for FY '84? If you anticipate a shortfall, as there was in FY '83, what is the expected shortfall? How will the BIA address this shortfall?

Answer: For FY 1984, we expect to experience a shortfall in CSF. Based upon our most recent information we project a shortfall of approximately $1.5 million. In addressing this shortfall, consideration will be given to allowing contractors the option of redistributing funds within their total contract amounts, reprogramming of Bureau funds and/or requesting additional funds from Congress.

Question: Has the BIA requested enough contract support funding, within the program accounts, to fully and fairly "grandfather-in" the ongoing contracts at 100% of the tribal need? What is the current estimate of the need for these contracts? Provide the Subcommittee with your most accurate and up-to-date estimate of the 100% need for FY 85 by April 15, 1984, please.

Answer: We are presently in the process of gathering information regarding

100% of need requirements for CSF for FY 1984 which is considered to be the basis for the FY 1985 request. We will provide our estimate of such need to the Subcommittee as soon as it is available.

Question: There are some tribes that do not use contract support funds for their self-determination contracts with the BIA. How will the Bureau deal with this situation?

Answer: We believe that tribal contractors who have not and do not receive contract support funds and who do not meet indirect/overhead costs through other sources should be eligible to have their contract amounts adjusted upward. Any tribal contractor whose actual indirect costs are included in, and are funded through, program funds provided through the BIA/tribal budget process would not be eligible for such adjustment since the historical total program costs have been established for such contractors. Any adjustment would be contingent upon actual need as presented by these contractors. Additional allocations would be aimed at establishing an equitable and realistic funding base under the new system. Under the "grandfathering" procedure, a base funding amount will be established for these contracts.

QUESTIONS SUBMITTED BY SENATOR DENNIS DECONCINI

School Construction Projects

Question: In FY 1983 design funds were appropriated for the Papago High School at San Simon. What is the current status of the designing of this new facility? When does the Bureau expect the design work to be completed and when would the project be ready for construction funds? Does the Bureau's FY 85 education construction fund request provide the construction funds for Papago High School? If not, why?

Answer: The architect-engineer's contract was awarded November 18, 1983. Design is currently approximately 50% complete. Design completion is currently scheduled for June 1, 1984. $4.5 million is requested in FY 1985 for construction of the Western Cheyenne River consolidated school, which was ranked number one on the FY 1984 priority listing. Papago High School was ranked number two on that listing and must be funded in turn.

Question: The Polacca Day School is in need of a Multipurpose Center and a request reflecting this need was submitted to the Bureau. Where on the construction priority list does this request presently rank? At one point, the project ranked third on the priority list. Please provide in detail the reasons why this project is not currently included in the Bureau's FY 1985 budget request?

Answer: This project is not on the priority ranking list. This project was first proposed prior to the adoption of the priority ranking system in 1980. It did not receive funding under the previous ranking criteria and it was not proposed after the new criteria was established. The Tribe's testimony at the recent budget hearings was the first indication that the project was still desired. It will be ranked among other proposals for future consideration.

Question: This school construction project Hopi Junior/Senior High School when completed will provide the Hopi Tribe with its first on-reseravation junior-senior high school facility. What plans does the Bureau have to incorporate into its curriculum development budget the need by the Tribe to initiate planning for a curriculum at this new facility? Has the Bureau determined a timetable for when this planning should start and how much the Tribe will require to carry out the necessary development work? Please provide the details of the Bureau's findings.

Answer: During the design phase of every school construction project, the architects work with the Tribe and community in planning use of space in the school for such needs as science laboratories, gymnasium, library, community use, etc. Area and Agency Education Staff also assist in this planning which includes curriculum projections.

Since construction has not yet begun on the Hopi Junior/Senior High School, it would be premature to hire staff to develop the curriculum, although technical assistance can be made available at any time. Within six months of the opening of the school, definitive curriculum development would be underway. By that time, the Bureau's academic standards will be in place which will serve as the basis for the specific curriculum.

The Tribe is eligible to apply for a Title IV grant through the Department of Education for the purpose of assisting them in the development of a specialized curriculum.

Road Construction Project

Question: Over four-fifths of the Turquoise Trail remains to be constructed. In light of the fact that FY 1984 funds were provided for the construction of the first 7 miles of the 55 mile road project, what kind of planning and design work has been done by the Bureau for the remaining part of the project? How is the Bureau funding this planning and design work? Please advise me of what the full funding requirement for the complete planning and design of the remaining portion of the Turquoise Trail are.

Answer: The portion of the Turquoise Trail north of Hard Rocks was partially planned by the State of Arizona about ten years ago, with funding from the Economic Development Administration through the Hopi Tribe. In Fiscal Year 1983, limited planning funds were made available by the Federal Highway Administration, from savings from Public Lands Highways projects. With this funding, BIA is updating environmental and archeological studies in the northern four-fifths of the Turquoise Trail. We estimate that updating of the old plans and complete planning of the remainder of the Turquoise Trail will cost $2,000,000. Actual construction is estimated at $38,000,000

Question: Where in the road construction program which is administered by the Bureau does this project fit?

Answer: In FY 1984, funding is available to provide a highway to the isolated village and school at Hard Rocks. Beyond the village, a partially constructed highway would not be usable, because of the remote location and lack of other connecting roads. Funding the estimated $40,000,000 cost in the road construction program would greatly reduce road construction programs on other Indian reservations and other road needs of the Navajo and Hopi tribes.

Navajo Tribal Program Contracts

Question: The Navajo Social Services Contract has on, an annual basis, been plagued by the need to delay general assistance payments in the third or fourth quarter of the contract year due to contract underfunding by the Bureau. Such service delay interferes with the Tribe's efforts to provide for the social welfare needs of its people during these hard economic times. What level of funding does the Bureau project and propose for the Navajo Social Services Contract in FY 1985? Does this represent full funding of the Navajo contract? Please provide for the record a complete justification of the amount which the Bureau is requesting for the Navajo contract.

Answer: The Navajo Social Services contract has had shortfalls in welfare assistance funding only within the immediate past three years (1981-83). The remaining years of their fifteen year contract has not experienced shortfalls. The Bureau operated programs and many other tribal contracts have experienced the same problem during these years because of an increasing welfare caseloads.

The initial FY 1985 estimate formulated by the Tribe one year ago as part of the budget process was $22.4 million. Because of the increasing hard economic times, this budget estimate has subsequently been increased by the Tribe to $28.8 million. The accuracy of this estimate will totally depend upon the prevailing economic conditions during FY 1985. The details of this estimate are as follows:

	General Assistance	Child Welfare	Miscellaneous	Total
Caseload:	32,500	600		
Unit Costs:	$61.28	$652.77		
Estimate ($ mil):	$23.9	$4.7	$0.2	$28.8

Question: How much of the $17 million which the Bureau proposes for 638 tribal law enforcement contracts will be allocated to the Navajo law enforcement contract in FY 1985? Will this level of funding enable the Navajo Tribe to meet its contract obligation to pay tribal officers under the contract salaries equal to those paid to BIA personnel in similar positions? What staffing level will the Tribe be able to achieve with the allocation proposed for the Navajo contract by the Bureau's FY 1985 request?

Answer: The tentative allocation for the Navajo Tribe's PL 93-638 contract for law enforcement in FY 1985 is $3,794,900. The Tribe sets its funding level under the tribal priority system at the beginning of each budget cycle. Currently, the Navajo Police Department has an operational strength of 250 sworn officers who cover 24,000 square miles with a population of 135,000 residents. Salaries and staffing levels are determined annually by the Tribe under the contract. Given the funding amount, including the tribal funds committed to the program, staffing levels are established and salaries are required to be equivalent to those paid to BIA personnel.

Navajo and Hopi Water Rights Litigation

Question: Both Navajo and Hopi Tribes require litigation support for water rights litigation. The Hopi need is $600,000 and the Navajo need is $1.1 million for the Little Colorado River litigation. Furthermore, Navajo needs approximately $1.7 million for its San Juan litigation. Does the Bureau's FY 1985 request take into account these two tribes' need for litigation support and at what levels of funding? How does the Bureau intend to meet its responsibility to provide such support to these two tribes?

Answer: The Bureau's FY 1985 budget request was not prepared using specific amounts for particular cases. The budgeted amount will be applied toward a number of cases based on priority consideration of those either in court or due to be in court within a short time. When the appropriation is received, a distribution will be made based upon the status of litigation cases at that time. In that manner, we expect to carry out our responsibility to protect the rights and interests of the Hopi, Navajo, and other tribes.

Navajo Community College

Question: How does the Bureau arrive at the amount needed by the Navajo Community College for operating and maintaining expenses?

Answer: The Navajo Community College submits an application for a grant which includes a proposed budget. This budget request is considered within budgetary constraints and with other competing programs for inclusion in the President's Budget. Such factors as level of student enrollment, remote location of the college campus, and opportunities for obtaining other revenues are taken into consideration

Question: How is the student count for Navajo Community College determined?

Answer: The student count is determined by adding all of the full-time equivalent (FTE) Indian students with all of the part-time FTE Indian students who are enrolled at the end of the sixth week of each semester and adding the total FTE's from both semesters and dividing by 2 to get the final FTE count for the year. The sampling method has been used in the past to verify the FTE count as the college's grant does not depend solely on a grant amount per FTE basis. However, for this year a 100 percent FTE verification is planned of the FTE's of the college.

Question: Does the Bureau have in place regulations which govern the way Navajo Community College should be funded? Please provide for the record a copy of such regulations.

Answer: Yes, the Bureau has requlations in place which govern the way the college is funded. A copy of 25 CFR Part 41 - Grants to Tribally Controlled Community Colleges and Navajo Community College, Subpart B - Navajo Community College is being provided to the Committee as requested for the Committees's files. These regulations are currently being revised due to amendments to Public Law 95-471.

Needs of the Former Joint-Use Area

Question: How is the Bureau proposing to address those needs, other than the range restoration and development activities which it is carrying out under the Navajo-Hopi Settlement Program, which need attention in the former Joint-Use Area? Please respond with specific reference to road construction and maintenance, range water development and housing rehabilitation needs. How much funding has the Bureau provided for these needs in its FY 1985 request?

Answer: The various needs referred to are outlined below:

1. Road Construction: A study of the former Joint Use Area has been made which proposes road construction totaling $177 million. Since funds are distributed to reservations on the basis of population, trust land area, and miles of road, the Navajo has funding available and is establishing high priorities for many of these needs. The funds available to the Hopi reservation were precommitted to the recently completed Hopi Route 2, Oraibi to Leupp. It will be several years before any appreciable funding will be available for further road construction in the Hopi Partitioned Lands.

2. Road Maintenance: Road maintenance funding and selection of priorities for road construction projects are local tribal government decisions. In the former Joint-Use Area, the Navajo Nation has provided sums for these services in setting their Bureau funding priorities in Fiscal Years 1983, 1984 and 1985. Road maintenance needs in the Hopi Partitioned Lands are considerably less, and the tribe has not provided for additional funding. Road construction needs in the Hopi Partitioned Lands are great, but funds available to the tribe are small because of advancements necessary to the construction of Hopi Route 2, Oraibi to Leupp.

3. Range Water Development: The Bureau range restoration and development program on both Hopi and Navajo Partitioned Lands is scheduled for completion in FY 1987. The program includes range water development, fencing, cattle grounds, reseeding and maintenance of existing range developments. The water development program (drilling water wells) presently has a high priority on Navajo Partitioned Lands. The Bureau is presently negotiating a contract to complete seven water wells in the Pinon area during FY 1984.

4. Housing: The Bureau does not have a specific housing rehabilitation program targeted for the former joint Use Area. Allocations of housing funding for units in the partitioned land would be provided by the Navajo and Hopi tribes under the tribal priority system in FY 1985.

Colorado River Flood Damage

Question: Due to the flooding on the Reservation from the releases of Bureau of Reclamation Dams last summer, the Colorado River Indian Tribe has expressed a concern about the potential for water table problems that may be created by future flooding. Is there presently a monitoring system on the reservation to monitor water table levels? If not, what is required to establish such a system and at what cost? Is a feasibilty study required? Could this be accomplished by the BIA or will the Bureau of Reclamation have to do the work?

Answer: In conferring with field personnel, as of April 6, 1984, the Colorado River Tribe had not approached the Bureau with any specific concerns regarding water table problems from upstream river releases. On the irrigation project there is in existence a system of piezometers measuring hydrostatic pressure. Immediately following last summer's high river flows and the rising of the water table on the project, the drainage system was subjected to demands greater that normal. In time, this condition receded and minor repairs were made to the drainage system.

Headgate Rock Dam

Question: I note that the Department has included $9.1 million in its FY 85 request for construction activities at Headgate Rock Dam. Last year the Administration requested $11 million for this project. Will you explain in detail for the record what events occurred to reduce this request?

Answer: The first year request in FY 1984 for the hydroelectric project was $11 million. The FY 1985 request is $9.1 million which assumed that this new start would be approved in late FY 1984 with $5 million allocated from available funds immediately upon enactment of language in the FY 1984 supplemental. Therefore, the funding for the project is expected to be $14.1 million over a 15 month period. The Bureau of Reclamation considers such a funding schedule as being fully adequate.

Question: What is the estimated total Federal cost for construction work on this Dam? What capability does the BIA have to do construction work in FY 85 on this project?

Answer: The total estimated construction cost is $55,800,000. The funding request is contained in the budget justifications of the Bureau of Reclamation. Rather than establish an in-house capability, the BIA has used Reclamation to do the design and specifications with funds transferred from the BIA. Subsequently, Reclamation decided to seek direct funding for construction of this project. Reclamation anticipates transfer of the plant to BIA upon completion of construction.

Question: Please detail for the Committee estimated funds needed each year to complete construction on this project until it is finally operational. When do you expect the Dam to be fully operational? Will any benefits be provided to non-Indians?

Answer: Construction funding needs for Headgate Rock Hydro Project by years, is as follows:

FY 1984 - $ 5.0 million
FY 1985 - 9.1 million
Future - 41.7 million

Total $55.8 million

The plant is expected to become operational during FY 1987. No direct benefits to non-Indian entities are expected, but non-Indians residing within the Colorado River Indian Reservation could benefit as power customers of the Colorado River Indian Irrigation Project which provides the electrical service within the Reservation. Rates for power produced at this site would be less than rates for comparable quantities purchased from the local private utility by the Irrigation Project for resale to resident customers.

Ganado Dam

Question: What activities have been taken to date on the proposed multipurpose Ganado Dam on the Navajo Reservation? Please detail for the Committee. Has the Bureau of Reclamation or the Corps of Engineers provided any consultation? If yes, please detail.

Answer: In response to the Bureau of Indian Affairs request, on March 10, 1982, the Bureau of Reclamation conducted a Safety Evaluation of Existing Dams (SEED) examination of Ganado Dam. The examination disclosed deficiencies involving the hydraulic capability of the spillway in routing the probable maximum flood (PMF), blocked or partially blocked outlet works and more than normal seepage. The spillway capacity is approximately 25% of the PMF. If the PMF were to occur the dam would be overtopped and fail. The Bureau of Reclamation recommended corrective safety measures and costs (October 1982 dollars).

Question: Has a feasibility study been done on this project? If not, what is the estimated cost of this study and could this be accomplished in FY 85. If not, why not? Which agency would administer the study, the BIA or the Bureau of Reclamation?

Answer: Ganado Dan is not a proposed new dam, with the usual pre-construction activities needed. No feasibility study is required.

Question: If a feasibility study has been done, what is the estimated cost of this project? How long would it take to construct? Would this construction be done by the BIA or the Bureau of Reclamation?

Answer: The planned work involves improving an existing water impoundment so that it meets National and Departmental standards. The Navajo Area Office of BIA indicates that they intend to request $655,000 in future budgets, to install an early warning system, to prepare a modification analysis, conceptual final designs, and to enlarge the spillway capacity and replace the outlet works. The Ganado Dam hazard classification is high -- a high classification means a high probability of loss of life and extensive property damage in the event the structure failed. The Ganado Dam safety condition is classified as unsatisfactory -- which means a dam safety deficiency exists for normal conditions and immediate remedial action is required for problem resolution. The construction work would probably be done by the Bureau of Reclamation using BIA funds.

As funds area available, either the Bureau of Indian Affairs or the Bureau of Reclamation will undertake the modification analysis, prepare final design and specifications and award a construction contract for the work.

Question: Is an environmental assessment or impact statement necessary? Has one been completed? If not, how long do you anticipate this assessment would take. Please detail the steps necessary to initiate construction on this project.

Answer: During the structural modification analyses, the Bureau of Reclamation will conduct a environmental assessment for the required work. No environmental work has been done at this time. Of fifty-two dams for which the Bureau of Indian Affairs is responsible, Ganado Dam is ranked No. 11 in priority for corrective action.

The modification construction at Ganado Dam will involve enlarging the existing spillway and replacing the outlet works.

Coolidge Dam

Question: I have been concerned for some time now about the threat to life and property due to the deteriorating condition of Coolidge Dam. It is my further understanding that the Bureau of Reclamation has warned the BIA that the conditions of the Dam are so severe that immediate action to repair the structure must be taken to prevent a potential disaster. Could you provide for the record, in detail, a description of the status of the Dam including all threats to safety and property?

Answer: The Bureau of Reclamation conducted an examination of Coolidge Dam on March 19, 1982, in response to a Bureau of Indian Affairs request. The examination disclosed badly deteriorated penstocks, inadequate spillway capacity for routing the probable maximum flood (PMF) and erratic behavior of river outlet valves when in use. The mechanical equipment at Coolidge Dam is original equipment -- about 55 years of age.

If the PMF were to occur, the two concrete chute-type spillways would probably fail but in the opinion of Bureau of Indian Affairs and Bureau of Reclamation engineers the dam itself would not fail. The penstocks and the river outlet valves are badly deteriorated and need to be replaced. The metal sleeves inside the penstocks are badly deteriorated and in need of replacement. It is possible that the penstocks will fail when loaded with normal operating hydraulic pressures. As a consequence, the operating procedures have been altered to take into account the condition of the tubes and valves.

Question: Could you also provide a copy or copies of any reports prepared by the BIA or the Bureau of Reclamation concerning the safety problems at the Dam?

Answer: A copy of the SEED report has been provided for the Committee files.

Question: What work is the BIA doing in FY 1984 to bring the Dam up to National Dam Safety Standard? At what cost? Does the BIA have the capability to do additional work in FY 1984? If so, please detail the activities that could be taken. Does the BIA have funds available in its current year budget sufficient to carry-out this work? If yes, please identify the source of the funds. Is this money being taken from other BIA programs? If yes, what programs?

Answer: In accordance with the Safety of Dams Agreement between the Bureau of Indian Affairs and the Bureau of Reclamation, Reclamation is preparing design and specifications for penstock rehabilitation, for the dismantling of the old switchyard and for constructing a new facility. The cost for this work is $668,500 in FY 1984. The funds are provided from the Safety of Dams activity in the budget. All the work that can be done at Coolidge Dam for the current year is underway and on-going.

Question: How much money has been requested in the BIA's FY 85 budget for safety work at Coolidge? If no money has been requested, why not? Does the BIA plan to send over a request for additional funds for this work in FY 85? If yes, for how much and for what projects. Please detail.

Answer: We will be initiating a proposal to modify our FY 1985 request to cover costs for initial construction work on the penstocks (fabrication of necessary materials and the majority of the installation). The work on the penstocks must be done in phases.

Question: What is the total estimated cost of repair for the penstocks and generators? How much additional money is needed to bring the Dam up to safety standards? When does the BIA plan to make that money available? Could you please provide a schedule of work including cost estimates.

Answer: The total cost for penstock rehabilitation and powerplant renovation is $10,000,000. In addition, approximately $18,000,000 is needed to replace the two concrete chute-type spillways. The Bureau of Reclamation is doing a Modification Appraisal Study for the spillway modification. This report will be completed in October of 1985 and transmitted to Indian Affairs for decision-making on the modification alternatives generated by Reclamation. After the Bureau of Indian Affairs makes the decision on the modification and gives the Bureau of Reclamation notice to proceed, the Bureau of Reclamation will start gathering design data and proceed with the design of the modification. This period could be from March 1986 to December 1987. When funds are appropriated, the advertisement of the job to the construction industry can take place. The job will be completed two years following the initiation of construction. For the spillway structual modification work, the cost estimates and recommended schedule are as follows:

First year	-	$ 450,000
Second year	-	1,050,000
Third year	-	3,300,000
Fourth year	-	11,000,000
Fifth year	-	2,200,000
Est. Total	-	$18,000,000

Question: Which agency will administer and supervise the repair work at the Dam, Bureau of Reclamation or the Bureau of Indian Affairs. Please explain.

Answer: By agreement dated February 6, 1984 the Bureau of Reclamation will do the analysis, design, issue the specifications, administer the contract and inspect the construction.

Question: It is my understanding that the Bureau of Reclamation is preparing specifications for the repair work on the Dam. Does this include specifications for the generators and switchyard? If not, why not? When can the Committee expect the specifications on the generators?

Answer: The present design work on-going by the Bureau of Reclamation includes renovation of the hydroelectric generating equipment. They expect final design and specifications in August 1984.

Question: Please explain for the record the types of activities to be undertaken at this Dam that are considered emergency repair work versus normal maintenance work.

Answer: The work involving the penstock and river outlet valves are of an emergency nature. Switchyard work is to repair damage resulting from high spillway flow which induced differential settlement in the switchyard foundation. The switchyard will be dismantled and relocated. The generator work is not an emergency; it is replacing the system which has worn out over the years.

Question: What is the estimated power and water revenues that have been lost per year due to the present conditions at the Dam? Also, what is the estimated loss in both water and water storage capacity at the Dam?

Answer: The annual revenue from the Coolidge Dam hydroelectric facility has been $1,400,000. One unit was de-energized in June 1983; the unit is worn out. The other unit was de-energized in October 1983 when the high spillway flows induced differential settlement in the switchyard foundation. The losses will continue until the power repairs are made.

The water storage capability of Coolidge Dam has not been adversely affected by the present mechanical deficiencies.

Question: It is my understanding that electrical energy is being purchased from Arizona Public Service to replace lost generating capability and that energy is being sold for pumping. What is the difference between the rates for energy being purchased versus that being sold? Also, what is the estimated annual cost of this difference?

Answer: There are four standard power sources for the Dam: two contracts with Department of Energy, one with the Salt River Project and one with Arizona Public Service (APC). These are continuing arrangements because Coolidge is not a "reliable" source, since power is generated only when water is released. It is correct that we are buying energy from APS and selling it to water users at a lower rate. Just over three years ago, no charges were being made; but the current Project Engineer started a charge system and the amount has been gradually increasing. Since rates are set two years in advance, we are still subsidizing the water users to a degree. However, a plan is already in process for users to cover the full amount of generating energy from Coolidge, and in the event that source is not available, to cover the full cost of obtaining energy from another source.

The present rate paid to APS for energy is 1.9 cents per kwh, and the selling rate to users is 1.643 cents per kwh. The resulting annual cost is estimated to be $74,530, based on use of 29 million kwh's. The 1.9 cents is, however, only the cost for energy. The total cost, including power charge, is 8 cents per kwh. It should be recognized that the energy is not only used to operate pumps when Coolidge is not generating power, but also the project sells energy to its power customers, including those in the three reservations served by the project. The revenues generated by these sales are used to subsidize the operating costs of the irrigation project as well as to repay the Federal investment in the project.

Question: Please provide for the Committee a status report on the condition of other BIA dams nationwide?

Answer: The Bureau of Indian Affairs Safety of Dams Program has identified fifty dams displaying a high or significant hazard potential to the public. Forty-five structures have received on-site safety inspections by the Bureau of Reclamation engineers. Six of the forty-five inspected dams do not have safety of dam deficiencies and we have not received reports on four dams. The remaining five of the fifty will be inspected this year.

A copy of the priority list of dam safety needs will be provided for the Committees' files.

Question: What is the BIA doing to prevent problems similiar to those presented at Coolidge Dam from occurring at other BIA dams in the future?

Answer: Pursuant to Secretarial Order No. 3048, dated February 28, 1980, the Bureau of Indian Affairs established a Safety of Dams Program. This program has identified water impoundments with a high and significant hazard potential classifications, totaling fifty structures. By the end of calendar year 1984, the inititial safety inspections on all of the structures will be completed. Following an inspection, we are provided with a report outlining the safety-related problems and the corrective measures needed to bring the structure up to National and Departmental safety of dams standards. Beginning with the FY 1985 fiscal year, the Bureau is beginning a major effort to start remedial actions on the dams in disrepair. Up to this point our corrective actions have been emergency-generated, like Coolidge Dam.

Question: If funds have not been included in the FY 1985 budget for repair of the penstocks and rehabilitation of the generators at Coolidge, what is the BIA's or Reclamation's capability in FY 85 to develop specifications and repair of the Dam?

Answer: As noted above the final design and specifications will be completed in August 1984 and a construction contract award anticipated around November 1, 1984. For construction funding, we have initiated a proposal to revise the FY 1985 budget in the amount of $2,500,000; an additional $2,500,000 will later be required to complete the work in the penstocks and to relocate the switchyard; and $5,000,000 to renovate the powerplant and generators, for a total of $10,000,000 for all the repair work.

QUESTIONS SUBMITTED BY SENATOR QUENTIN N. BURDICK

Question: On March 15, I arranged a meeting between the Trenton Indian Service Area and the BIA regarding government services. Currently Trenton receives less than $1000 a year for government administration. It is ineligible for self determination incentive program funding for tribes with populations under 1200 because it is not a tribe. Rather, Trenton is a sub-group recognized through its affiliation with the Turtle Mountain Reservation. The Service Area relies on indirect costs from other programs to defray the cost of operating a local government but this is far from adequate. The Service Area is interested in receiving staff training and adding a planner to its staff. Does the Bureau have a source of funding available to Trenton to provide such needed government service?

Answer: The Trenton Indian Service Area is a component of the Turtle Mountain Band of Chippewa Indians and is represented by the Band's Tribal Council. The Council is recognized by the Bureau of Indian affairs (BIA) as the official tribal governing body for the Area with whom the Bureau maintains a government-to-government relationship. We cannot, at this time, identify any available funds to meet the Service Area's needs. However, in order that such need receive appropriate consideration, we suggest that the Band's governing body submit any requests to the Bureau on behalf of the Service Area. Such requests should initially be transmitted to our Superintendent, Turtle Mountain Agency located in Belcourt, North Dakota.

Question: The Bureau of Indian Affairs has budgeted $30,000 for FY 85 for Turtle Mountain to control leafy spurge. I would like to thank the BIA for taking this action to protect the land resources from weed encroachment. However, it is my understanding from Folette County and the North Dakota State Agriculture Department that an additional $100,000 will be necessary to eradicate the obnoxious weed. Does the Bureau have a planned program for eradication? If so, what does the budget look like for the next several years? In addition, does the natural resources budget contain discretionary funding for this purpose?

Answer: The Bureau has not budgeted $30,000 in FY 1985 for leafy spurge control. The $30,000 in Bureau the budget is for Natural Resources - General to support Agency staff functions. Turtle Mountain has recently proposed a five-year leafy spurge control program, which is under review by the Bureau. The leafy spurge eradication feasibility is a long-term consideration which is under evaluation. The Bureau has proposed $30,000 for Natural Resources - General and $28,200 for Agriculture for Turtle Mountain Agency in FY 1985. There are no discretionary funds in the Agriculture budget for this, or any other purpose.

Question: The Surface Transportation Act of 1982 provided a source of funding for Indian Roads which replaced the BIA's budget for this function. The Bureau, however, administers the highway program through a Memorandum of Understanding with the Federal Highway Administration. Since the Bureau has nearly triple the amount of funds for Indian Roads that it had prior to the 1982 Act, how has this influx of funding affected Highway construstion projects on the reservations?

Answer: BIA has very substantially increased the level of road construction on Indian reservations as a result of the funding in the Surface Transportation Assistance Act (STAA) of 1982.

Question: How many contracts have been let, and how many of these have gone to Indian prime contractors?

Answer: In fiscal year 1983 and fiscal year 1984 through February, 124 road construction contracts were awarded, with 41 of them going to Indian owned companies. In addition, 30 projects were done by Force Account with Indian employees of the Bureau of Indian Affairs. In addition, 28 contracts were awarded to Indian consultant firms for engineering services. The percentage of our work done by Indian firms is increasing.

Question: Please provide the subcomittee with a list of all current and proposed road projects by type, location, and cost.

Answer: Listings for Fiscal Years 1983 and 1984 of Indian road construction projects are provided for the Committee's files.

Question: How is the BIA working with the tribes in setting Road Construction priorities?

Answer: The tribal governments, with BIA approval, set priorities for road construction projects on their reservations. The bridge reconstruction and rehabilitation projects are determined by bridge sufficiency ratings, which are established by inspections made by an Indian owned engineering consultant firm.

Question: On a more general note, what is the BIA doing to help Indian construction companies get on their feet?

Answer: BIA is assisting Indian contractors by reserving contracts for competitive bidding limited to Indian owned firms; by requiring prime contractors to subcontract only to Indian owned firms; and by procuring materials under the provisions of the Buy-Indian Act.

Question: My office has received numerous complaints from Indian subcontractors who have not received timely payments from the prime contractors. What can the BIA do to ensure that these contractors are paid on schedule?

Answer: Payments to construction contractors are subject to the Prompt Payment Act (PL 97-177). This act provides that payment will be made 30 days after receipt of a proper invoice and that interest will be paid on overdue payments. Implementation of this Act has greatly decreased the delays experienced by contractors in the past. While BIA does not have a contractual relationship with subconstractors, the Contracting Officer will investigate any claims of payment withholding brought to his attention.

Question: Do you intend to seek a one-year extension for certain employees? If so, when?

Answer: We do not intend to give a blanket extension for non-Indian employees who must retire by December 5, 1984, in order to receive benefits under P.L. 96-135. Management officials throughout the Bureau will make a determination on a case by case basis whether an employee should be recommended for an extension of one year. We have instructed the managers to submit requests for extensions to the Washington Office not later than October 1, 1984. Complete justification for the need of the extension is to accompany each request. Plans are to be submitted for recruitment to fill the position at a later date, whether by an understudy, trainee, or at the full performance level. Managers have been furnished statistical data regarding the number of employees in each grade and series who will be eligible for retirement during 1983 and 1984. The most recent updated list was furnished in early January 1984.

Question: It is my understanding that there is considerable need for a new jail and courthouse for the Three Affiliated Tribes at New Town, N.D. Could you provide the subcommittee with a needs assessment and a preliminary architect and engineering cost estimate for this proposed project?

Answer: None of these data is presently available. A needs assessment and cost estimate will be developed within a few months utilizing the resources of one of the architect-engineer firms presently under contract to the Bureau.

QUESTION SUBMITTED BY SENATOR PETE DOMENICI

Self-Determination Grants

Question: In the face of a slight reduction in appropriations, why do the Pueblos have to accept a 25 percent reduction in funds? We need a response and a correction in the very near future before this fiscal year reaches a point where the reduction will mean loss of important personnel.

Answer: In FY 1983, the Southern Pueblos Agency received an allocation of $880,000 for Self-Determination Grants. That amount was supposed to include $150,000 for the Sandia Pueblo as directed by Congress. However, the Agency had made an initial allocation to each of the Pueblos which did not include the directed amount for Sandia. Rather than disrupt the grants in progress, the Bureau allocated an additional $150,000 to the Agency for Sandia. The result of this action provided a one-time windfall for each of the Pueblos, especially Sandia. Sandia received $183,440 instead of the directed amount of $150,000.

For FY 1984, the Bureau issued tentative allocations for Self-Determination Grants which did not include the effects of the FY 1983 Congressional reduction of $2.5 million Bureau-wide which was included in our FY 1984 request in the President's budget. This misallocation gave the impression that the FY 1984 allocation for Southern Pueblos would be $1,043,400. This amount did not consider the FY 1983 reduction which was carried forward into the FY 1984 President's request. The correct FY 1984 tentative allocation should have been $921,300, a difference of $122,100 or a 12% reduction from the erroneous tentative allocation.

During the FY 1984 appropriation process, the Congress reduced the Grant program a total of $3 million compared to the amount requested. The Southern Pueblos Agency's share of that reduction is $142,400, or about 15% of the corrected FY 1984 tentative allocation ($921,300). After applying additional Bureau-wide reductions to establish reserves for proposed reprogrammings, the allocation was reduced an additional $11,600. Therefore, the FY 1984 revised tentative allocation is a total of $767,300.

QUESTIONS SUBMITTED BY SENATOR LAWTON CHILES

Question: What steps have been taken by the Secretary to carry out his duty under section 8(a) of Public Law 97-399 to accept in trust for the Miccosukee Tribe the lands provided by the State of Florida in accordance with the Settlement Agreement ratified by the Congress in that Act?

Answer: The Secretary requested that the State of Florida provide title evidence on the property to be transferred pursuant to Section 8(a) so that we could submit it to the Department of Justice (DOJ) for a title opinion. The State's initial submittal was found to be inadequate by DOJ and additional information was requested from the State in November of 1983.

The State did not provide the additional information, until March 20, 1984; it was sent to DOJ for review on March 21. Assuming that the additional title information meets DOJ requirements, the land will be accepted in trust on behalf of the Tribe as soon as we get clearance from DOJ.

Question: What steps have been taken by the Secretary to carry out his trust responsibilities with respect to the federal Indian reservation created for the Miccosukee Tribe under Public Law 97-399, especially in the areas of real estate services, resource management assistance, and rights protection? What are the Bureau's plans for Fiscal Year 1985?

Answer: A one-time survey expense of $100,000 will be required when the acreage transfer is completed this fiscal year. Active management expenses estimated at $100,000 annually by the tribe, would be required. There are no funds in the FY 1985 budget for real estate services, resource management or related activities.

QUESTIONS SUBMITTED BY SENATOR JEFF BINGAMAN

Question: What is the BIA's rational for not including a funding request for NIIP in FY'85.

Answer: The Bureau is working with the Navajo Tribe on solutions to the long-term debt problems faced by the Navajo Agricultural Products Industry (NAPI), the tribal entity farming the 48,600 acres that have been completed on the Navajo Indian Irrigation Project. Until a plan and schedule could be jointly prepared and agreed upon, BIA thought it unwise to add additional acreage to the project and to NAPI's operational responsibilities.

Question: Does the BIA view the obligation owed to the Navajo Tribe as set forth in P.L. 87-843 as a legal obligation? If so, how does the Bureau justify not keeping up its part of the obligation? If not, what obligation does the Bureau view itself as owing the Navajo Tribe?

Answer: P.L. 87-483 of June 13, 1962, authorized construction of an irrigation project to serve 110,630 acres with a diversion of 508,000 acre-feet of water. Although the authorizing Act does not use the term "negotiated settlement", the legislation implemented an arrangement whereby the Navajo Tribe would be provided an irrigation project in return for not objecting to transmountain diversion of water from the Colorado River Basin into the Rio Grande Basin via the companion project in P.L. 87-483, the San Juan-Chama Project.

The Bureau has never considered implementation of P.L. 87-483 as a legal obligation. An opinion of the Solicitor on that point is being requested. The Bureau has considered project construction as a moral obligation, and its completion would provide significant economic benefits to the Navajo Nation.

Question: According to the testimony of Assistant Secretary Ken Smith given before Chairman Sidney Yates of the Interior Appropriations Subcommittee (transcript at 169 and 170):

> "The issue seems to surround the operation side we call NAPI, Navajo agriculture irrigation products industry. Right now, in the first few years of operation, they probably are in long-term debt, about $35 million, and they were losing money year after year. Basically what the Administration did was say time out. Let us see if we can deal with trying to get this thing turned around before we start to sink additional dollars into it."

It appears from that statement and the questions following that the Bureau views the funding of NIIP as dependent on the solvency and profit capability of NAPI. On what basis does the BIA see the two entities as interdependent for purposes of providing money for NIIP? Please explain fully.

Answer: Early in the FY 1982 budget cycle, OMB directed that no additional construction beyond completion of Block 5 contracts was to be initiated until NAPI was on a path to profitability. Since that time, NAPI losses continued as is shown in the following table:

NAPI OPERATING LOSSES

Yr.	Sales in Millions	Total Operating Loss	Acreage	Total Cost Per Acre 1/	Average Revenue Per Acre	Average Operating Loss Per Acre	Source of Information
		($Millions)		($)	($)	($)	
1979	-	3.7 2/	30,000	195	72	123	
1980	-	5.5	30,000	298	115	183	
1981	9.7	7.8	40,000	438	243	195	
1982	7.1	7.6	43,500	338	163	175	1982 Audit
1983	20.3 3/	10.3	43,500	570 4/	333 4/	237	1983 Prel.
1984	16.3	6.2	43,650	515	373	142	1984 Bud. Est.

1/ All operating losses charged to agricultural production plus the average revenues per acre from crop sales.

2/ Less than 0.5% of sales were derived to livestock. It is assumed that all cost of sales were attributable to crops.

3/ Includes livestock sales of 5.6 MM.

4/ Excludes livestock.

Funds have not been sought to commence Block 6. NAPI has terminated their costly management contract with an outside firm and the new Board of Directors appointed by Chairman Zah has employed a new manager. Prospects for improvement are favorable. Undercapitalization and long-term debt problems remain unresolved. It does not seem prudent to construct NIIP water delivery facilities to serve additional lands until NAPI is effectively managing the existing acreage under constructed works.

Question: What long range plans does the Bureau have for completion of NIIP? Please include anticipated costs, time table for completion, and cooperative efforts with the Navajo Tribe.

Answer: Chairman Zah and Assistant Secretary Smith appointed a joint Task Force to address NAPI operations. That group is assisting the tribe in preparation of a proposed action plan that will include costs and schedules for project completion. The tribe is expected to submit the plan to Interior within 30 days.

Question: Why has the Construction budget request from the BIA steadily decreased since 1979 to finally being zeroed out in 1984 and 1985, whereas the operation and maintenance budget for NIIP which is handled by the Bureau of Reclamation has steadily increased? Please explain fully.

Answer: In regard to NIIP construction budget requests, the Bureau has followed the directive of OMB not to go beyond Block 5. BIA requests irrigation operation and maintenance (O&M) funding for NIIP and transfers the funds when received to the Bureau of Reclamation for performance of the O&M program. The O&M requests for NIIP increased as additional lands were brought into agricultural production and as the costs of energy for pumping have escalated. Commencing with the completion of Block 6, NAPI will assume O&M costs for Block 1 and increase their assumption by a block as construction is completed on each additional block, e.g., Block 2 when Block 7 construction is completed and so on.

Question: Mr. Yates requested of the Bureau the following (transcript at 176) in reference to NAPI:

> "'However, we reserve out right to insist that the United States through your office vigorously advocate through the funding process the full development of this project. We request that in 1984 you at the very least meet the $2 million savings in management cost, $330,000 in interest saving, $500,000 the tribe has appropriated for capital expenditures and $1 million

the tribe has already paid in interest and principal on the NAPI loan. Please initiate the supplemental request process.' Are you going to do that?"

What is the Bureau's official response to that request? If the Bureau is not going to submit a supplemental request, why? If the Bureau is going to submit a request, will it be the full amount or a partial amount as requested by Representative Yates?

Answer: The quote from the transcript of the House Appropriations Subcommittee hearing is from a letter to Assistant Secretary Smith from the Navajo Tribe. The Chairman's letter has not been answered pending receipt of the proposed action plan. A request for an appropriation is not anticipated until a long-term debt reduction plan for NAPI has been worked out.

Question: The Navajo Tribe requests the following funds to be included in the FY 1985 budget for NIIP:

FY 1984:	Supplemental appropriation of $1,500,000 to maintain on-going Bureau of Reclamation operations, and
FY 1985:	$9,100,000 for partial development of Block 6 of the NIIP.

What is the Bureau's position as to these request?

Will the Bureau support a supplemental appropriation for FY 1984 and an add-on to FY 1985 in the amounts the Navajo Tribe has requested? Please explain fully.

Will the Bureau support a partial amount and if so what amount?

Answer: The amounts listed ($1,500,000 in FY 1984 and $9,100,000 in FY 1985) are realistic estimates prepared by the Bureau of Reclamation to complete half of Block 6.

Our position on those or other amounts should, we believe, await agreements to be reached with the tribe on an action plan that addresses the problems previously discussed.

Question: What type of arrangement does the Bureau have with the Navajo Tribe to work out the capitalization issues associated with NAPI? Does the Bureau agree that the arrangement is a 50/50 matching funds agreement? If not, why?

Answer: There has been no arrangement worked out with the Navajo Tribe on NAPI capitalization. Assistant Secretary Smith's statement to Chairman Zah was to "share the responsibility of trying to make NAPI healthy" and neither the extent nor the appropriateness of funding of NAPI have been addressed.

Question: As I understand, Phil Corke, Chief of Water and Land Resources in Central Office, BIA is slated for transfer to a position in Facilities Management. Why is the Bureau implementing such a move when Mr. Corke has extensive expertise in water resource conservation, use and development?

Answer: Mr. Corke has been the Acting Chief of the Division of Water and land Resources, pending completion of personnel actions resulting from the realignment of the Office of Trust Responsibilities. The offer of a position to Mr. Corke, outside the Office of Trust Responsibilities was made, based on personnel regulations related to reductions-in-force, and applying Indian preference. Upon further study of the professional expertise needed in the Office of Trust Responsibilities, the decision was made to retain the position of General Engineer, Hydrology, which Mr. Corke occupied in the immediate Office of the Director. The reassignment offer to Mr. Corke was cancelled. He will be available in day-to-day operations to offer advice and assistance in water rights matters.

SUBCOMMITTEE RECESS

Senator McClure. With that, the subcommittee will stand in recess until Thursday, March 29, at 10 a.m., at which time we will review the fiscal year 1985 budget estimates for the Office of the Secretary and the Bureau of Mines.

Thank you.

[Whereupon, at 2:33 p.m., Tuesday, March 27, the subcommittee was recessed, to reconvene at 10 a.m., Thursday, March 29.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1985

MONDAY, APRIL 2, 1984

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:45 a.m., in room SD–138, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senators McClure and Byrd.

DEPARTMENT OF THE INTERIOR

OFFICE OF THE SECRETARY

STATEMENT OF RICHARD R. HITE, PRINCIPAL DEPUTY ASSISTANT SECRETARY, POLICY, BUDGET, AND ADMINISTRATION

ACCOMPANIED BY:

DAVID A. GILBERT, BUDGET OFFICER, OFFICE OF THE SECRETARY

KRISTINE M. MARCY, DEPUTY DIRECTOR OF BUDGET, OFFICE OF THE SECRETARY

PREPARED STATEMENT

Senator MCCLURE. Good morning. This is the time scheduled to review the fiscal year 1985 budget requests for the Department of the Interior's Office of the Secretary and Bureau of Mines. We will begin with the Office of the Secretary, whose fiscal year 1985 request of $47,371,000 represents an increase of $2,083,000 from the fiscal year 1984 appropriated level.

Testifying on behalf of the Department this morning will be Richard R. Hite, Principal Deputy Assistant Secretary for Policy, Budget, and Administration.

Mr. Secretary, you have appeared before this committee many times over the past several years. I believe the last time you did so in your present capacity was in April 1981. As always, we wish to welcome you back before this committee.

If you'll please introduce the people who are with you who may be answering questions this morning, your full statement will be placed in the record, and we'll proceed directly to the questions.

[The statement follows:]

STATEMENT OF RICHARD R. HITE

I appreciate the opportunity to appear before you once again in support of the fiscal year 1985 budget appropriation request for the Office of the Secretary.

The management team of the Department has continued to improve the quality of administration and delivery of services to the public in an efficient, cost-effective manner. These efforts will continue in fiscal year 1985 with further study and review of departmental policies, personnel and process, including implementation of "Reform 88" and other cost-effective measures as proposed by the administration.

The fiscal year 1985 request for the appropriations of the Office of the Secretary totals $47,371,000, a net increase of $2,083,000 from amounts provided to the Office of the Secretary for fiscal year 1984.

The major changes from fiscal year 1984 to fiscal year 1985 for the Office of the Secretary appropriation are due primarily to proposed base adjustments. These items, totaling $3,229,000, include: +$1,187,000 for the full year cost of general schedule, wage grade, and executive pay increases effective in January 1984; +$213,000 for FICA tax payments for newly employed Federal employees; +$1,963,000 and 41 work-years for direct funding of the Office of Aircraft Services' policy and executive direction function, formerly financed through the Working Capital Fund and offset from bureau requests; +$55,000 for increased cost of Employees Compensation Fund payments to the Department of Labor; +$382,000 for increased SLUC rates for rental payments to GSA; +$429,000 for the payment of uncontrollable operating costs in staff offices; and −$1 million due to the transfer of the Alaska Subsistence Program from the Office of the Secretary to the Fish and Wildlife Service.

I would now like to highlight the fiscal year 1985 program changes by appropriation.

OFFICE OF THE SECRETARY

The requested program increases for the Office of the Secretary are as follows: +$309,000 and 6 work-years to develop policies, programs, and services designed to achieve a significant increase in the participation of historically black colleges and universities in the programs of the Department; +$112,000 for information system maintenance charges and for implementation of an integrated library system for the Natural Resources Library; +$95,000 and 2 work-years to strengthen the Department's Financial Management Policy Office and the departmental role in "Reform 88" and other management initiatives; and +$40,000 and 1 work-year to provide for additional workload in the audit coordination area.

These program increases are partially offset by program decreases as follows: −$309,000 and 6 work-years in the Office of Hearings and Appeals to reflect a change in resource requirements due to decreased workload and improved office efficiency; and −$173,000 to reflect a net decrease in overhead support cost for the Office of the Secretary.

The requested changes result in a net increase of $74,000 in the Office of the Secretary appropriation from the fiscal year 1985 adjusted base amount of $47,297,000.

OFFICE OF WATER POLICY

No funds are requested in the Office of Water Policy account as the policy part of this function was merged with the "Office of the Secretary" account and grant funds were provided to the U.S. Geological Survey pursuant to the fiscal year 1984 appropriation act.

CONSTRUCTION MANAGEMENT

No new budget authority has been requested for the Office of Construction Management, as this program was proposed for funding under the "Bureau of Indian Affairs" account in fiscal year 1985. This represents a decrease of $800,000 under the Office of the Secretary in fiscal year 1985. In response to the concerns expressed by both subcommittee chairmen, no action will be taken to transfer this office to the Bureau of Indian Affairs without congressional concurrence. The Department has not proposed to eliminate this office, as the funding is contained in the "Bureau of Indian Affairs" account for fiscal year 1985.

SPECIAL FOREIGN CURRENCY PROGRAM

In addition, no additional funding is requested in fiscal year 1985 to continue special foreign currency programs, as these excess currencies are not anticipated to be available. This represents a decrease of $420,000 in fiscal year 1985.

This concludes my opening statement, Mr. Chairman. I appreciate the opportunity to discuss these matters with you. I and other appropriate members of the Department are available to answer any questions this committee may have with regard to this request.

OPENING REMARKS

Mr. HITE. Thank you very much, Mr. Chairman. I have with me, Mr. David Gilbert, who is the Budget Officer for the Office of the Secretary.

Mr. Chairman, I won't attempt to read my statement in the record, but just a couple of comments in summary.

The request represents an increase from all appropriations in 1984 of $2.1 million. Basically, this breaks down into our request to reconstitute the direct funding for the executive management of the Office of Aircraft Services. This would be an offset to the current expenditures in the Working Capital Fund by the user bureaus. We also have some increases reflected as an adjustment to direct funding from the Working Capital Fund in our Office of Administrative Services and the balance is the annualization of the 1984 pay increase.

You observed zero funding, sir, for the Office of Construction Management. We received your letter jointly signed by Chairman Yates. As I replied, I believe, we certainly will adhere to your direction in that area. I just observe there is $916,000 in the request for the Bureau of Indian Affairs, which would be to fund that activity.

The committee, in its wisdom, may choose to transfer that to the Office of the Secretary.

We also have zeroed out the Office of Water Policy. The water grants function is now with the Geological Survey and the water policy function per se is within our Office of Policy Analysis.

And finally, we request no funding, sir, for the Special Foreign Currency Program, as we understand those funds locked in foreign countries, previously used for research, will no longer be available.

Those are my general remarks, sir.

Senator MCCLURE. Thank you.

PAY RAISE ABSORPTION

On page 20 of your justification, under adjustments to base for the 1984 pay increase, you first report that the Office of the Secretary will absorb some $520,000, or 72 percent of the cost of this annual pay increase. You report later, however, that part of these absorbed costs are unobligated balances totaling $300,000 from the Office of Water Policy appropriation, while an as yet unspecified additional amount is expected to be available due to a change in the 1984 standard level user charges by the GSA and due to the use of less office space by the Office of the Secretary.

Have you identified how much you expect this additional amount to be?

Mr. HITE. I'll defer to Mr. Gilbert to comment on the space costs. I just observe that about 80 percent of our costs, with regard to the Secretary's Office are fixed operating costs, sir. We have relinquished some space that was programmed in the fiscal year 1984 standard level cost estimate, and that gave us that flexibility.

Mr. GILBERT. Mr. Chairman, that amount should be approximately $300,000 in fiscal year 1984.

Senator MCCLURE. Could you tell me what savings, or what lies behind that savings? Is it just space?

Mr. GILBERT. That savings is due primarily to physical reduction of space in some field offices, primarily in the Office of Hearings Appeals and some minor adjustments in other areas due to the reclassification of office space.

Senator MCCLURE. As you are requesting a fiscal year 1984 supplemental of $200,000 to meet the remainder of the pay increase, and as you expect to transfer at least $300,000 from the OWP activity, by my calculations, you are actually only absorbing no more than $220,000 or 30.5 percent of the total.

Would you agree with those calculations?

Mr. HITE. Yes, Mr. Chairman.

Senator MCCLURE. In light of the fact that all the other Department of the Interior agencies are being asked to absorb at least 50 percent—and some as much as 100 percent—how do you justify not being treated like the rest?

Mr. HITE. Mr. Chairman, again, this is a labor-intensive account, and I think 62 percent or thereabouts of the moneys appropriated are directly for salaries, and another 18 percent or so for the related expenses. This is all the flexibility that we would have without reducing staff.

EXECUTIVE SECRETARIAT

Senator MCCLURE. Turning for a moment to the Executive Secretariat activity, the purpose of this office is to control and process correspondence and documents directed to the Secretary or Under Secretary for their attention, action or signature. While I certainly understand the need for a personal mail office for the Secretary, why is it necessary to separate its functions from the Secretary's immediate office?

Mr. HITE. Mr. Chairman, let me say that it is really not necessary. We wanted to give it a separate identity. Secretary Clark particularly wants to enhance this function to be, as he put it this morning, the switching post for all mail coming up to the Secretary's Office for his signature, not only the mail which will be promulgated externally, but also our internal decision documents. It's to be a tracking office, which will provide him the information to determine the status of a particular document within the Department. It certainly could be incorporated into the Secretary's immediate office.

Senator McClure. Doesn't the separation add to the overall cost?

Mr. Hite. No, sir. We have a chief, which there would necessarily be, and a secretary and necessary staff.

Senator McClure. According to your justification, you need $207,000 in fiscal year 1985 to support seven persons handling approximately 4,000 pieces of mail per month. Further review indicates that of the $207,000, some $187,000 is for salaries and benefits and the remainder is for equipment and other costs. The $187,000 breaks down to a per person average of $26,714 in salary and benefits, and I understand the office is staffed by one GS–11, with the remaining six either GS–8's or GS–9's. The justification indicates that, with the exception of responding to some routine and general inquiries from the public, this office is essentially responsible for assigning incoming correspondence to the other bureaus. Is that correct?

Mr. Hite. That's basically correct, sir. But, as I indicated, Secretary Clark expects this office to be more than a high-speed mail room and to get into some of the substance of the coordination of decision documents, as well as his external mail.

Senator McClure. Coordination. You mean policy decision?

Mr. Hite. No, sir. I mean the capability to understand a document sufficiently to refer it to an Assistant Secretariat, such as land and minerals, that may have been left out of the loop.

Senator McClure. Well, let me give you a comparison. In my personal office, I have three staff persons doing an excellent job of controlling my mail, and they also handle an average of over 4,000 pieces a month. I should add that they, too, respond to general and routine mail via use of one computer terminal, as well as make sure that all mail is answered and logged out within a maximum of 10 days.

Why does it take seven people for the Executive Secretariat to do what appears to be exactly the same as is done very well by three people in my own office?

Mr. Hite. Mr. Chairman, I'm not insinuating that the job is tougher in our Executive Secretariat, but I think the volume of mail, it may be delineated there——

Senator McClure. The volumes appear to be similar.

Mr. Hite. They appear to be similar. Well, I can't say any more than that the Secretary does place a great deal of importance on this facility. As a matter of fact, when the new Director came on board this morning—not in preparation for the hearing, mind you, but it is part of his effort to put the office more on a level of what he experienced as Deputy Secretary of State, and to provide him with the ability to instantaneously identify the whereabouts of a document. We have been less than responsive, by his standards, to congressional mail and to some public inquiries.

Senator McClure. Well, again, last month, mine was 4,400; you anticipate 4,000. We do it with three and one computer terminal.

For the record, would you please provide a specific breakdown of all costs associated with the Executive Secretariat, also describe in detail the priority system, if any, in handling the incoming mail to the Secretary and Under Secretary, and provide the average turnaround time for mail coming to this office from Members of Congress, as well as from the general public.

Mr. HITE. Yes, sir, I will.

Senator McCLURE. For the record.

Mr. HITE. Yes.

Senator McCLURE. Thank you.

[The information follows:]

Executive Secretariat fiscal year 1985 budget

Object class:	
Personnel compensation	$166,000
Personnel benefits	20,000
Communication, utilities, and other rent	9,000
Printing and reproduction	4,000
Other services	4,000
Supplies and materials	3,000
Equipment	1,000
Total	207,000

EXECUTIVE SECRETARIAT MAIL SYSTEM

Incoming mail addressed to the Secretary and Under Secretary is separated into four categories.

Category A—Mail addressed to the Secretary/Under Secretary which addresses them by their first name and review of the letter indicates personal interest is required. Assigned for Secretarial signature with a 7-working-day turnaround.

Category B—Mail from high ranking Government officials, Governors, officials of major corporations/industries and environmental groups and the subject matter is policy related. Secretarial signature is assigned with a 7-working-day turnaround.

Category C—Mail for mayors and State officials, White House referrals, Governors, officials of major corporations/industries when the subject matter is routine in nature and deals with already established policy. Assigned for signature at the Assistant Secretary level with a 10-working-day turnaround.

Category D—Mail from the general public and White House bulk is assigned for direct reply by the appropriate office with a 10-working-day turnaround.

Congressional mail is processed by the Office of Congressional and Legislative Affairs, with an interim or final response turnaround time of 10 working days.

EQUAL OPPORTUNITY REQUEST

Senator McCLURE. For fiscal year 1985, you have requested $1,443,000 for equal opportunity. This is the same amount requested and appropriated for fiscal year 1984. As you have proposed no reduction in full-time equivalent personnel, and as you have proposed inflation increases for every other activity under departmental direction, for what specific reasons did you not propose a similar inflationary increase for this office?

Mr. HITE. Mr. Gilbert?

Mr. GILBERT. Mr. Chairman, in the 1984 budget, the Office of Equal Opportunity has a one-time cost of $50,000 for modernization of the ADP information system; this will offset the pay requirements for the office needed in the 1985 budget.

Senator McClure. And that is the same as the other offices?

Mr. Gilbert. The Office of Equal Opportunity is the only office to have such a one-time cost in 1984.

SMALL AND DISADVANTAGED BUSINESS UTILIZATION

Senator McClure. You report on page 39 of the justification that the fiscal year 1984 appropriation for the Office of Small and Disadvantaged Business Utilization was $425,000, supporting nine full-time equivalent positions. Based on your fiscal year 1984 justification, however, the Congress appropriated last year $392,000 in support of seven full-time equivalent positions.

How do you explain that discrepancy?

Mr. Gilbert. Mr. Chairman, that difference is due to internal reprogramming within the guidelines established by the commmittee of less than 10 percent for additional clerical staff for the office.

Senator McClure. Why was the reprogramming necessary?

Mr. Hite. The Director requested me to provide additional clerical support, sir, to handle the workload that she saw burgeoning from within the Department.

Senator McClure. Where was it reprogrammed from?

Mr. Gilbert. Mr. Chairman, those resources came from the Office of Hearings and Appeals.

Senator McClure. How much was reprogrammed from the Office of Hearings and Appeals?

Mr. Gilbert. Mr. Chairman, it's approximately $33,000 from the Office of Hearings and Appeals to the Office of Small and Disadvantaged Business.

Senator McClure. According to your justification, contract awards to small and disadvantaged businesses has risen from 51 percent of total procurement in fiscal year 1979 to 75.5 percent of total procurement in fiscal year 1983.

What in your opinion, are the major reasons for this fairly dramatic rise?

Mr. Hite. We're having a discussion about that figure, Mr. Chairman. The only thing I can say is that because of the efforts of the Office of Small and Disadvantaged Business——

Senator McClure. Excuse me. It could come—well, I was wondering if it came as a result of your efforts in support of the program, or was it because the majority of the contracts available through the Department of the Interior are more suited to work generally performed by small or disadvantaged businesses?

Mr. Hite. No; I think it's attributable to the efforts by the Small and Disadvantaged Business Office. In 1979, Mr. Chairman, we entered into a contractual effort to increase the universe of disadvantaged businesses and majority businesses available to the Department. It was a two-way effort, and the contract to cover the better part of a year, both to educate or edify, if you will, the business entrepreneurs as to how to deal with a Federal entity and also to expand our universe of possible contractors. I think this effort has now borne fruit over time.

Senator McClure. It would seem that the trend in the direction of more contracts to small and disadvantaged businesses will at least stabilize, if not continue to increase. Would you agree with that statement?

Mr. Hite. Yes, sir, I would.

Senator McClure. If this is the fact, can't we assume that the same results will occur, even if we greatly reduce the funding and personnel for this program?

Mr. Hite. I wouldn't like to concur in that as a blanket statement, sir, but I think that we need to have in some magnitude, a specific entity that relates to the Bureaus' procurement activities in this field. I think it has paid its way, Mr. Chairman.

Senator McClure. Well, I don't want to be misunderstood. I want to commend you for what I think is progress in that area. I think many people in the Congress have a general perception that it's very, very hard for small businesses to contract with Government at all, and you've made an outstanding record in small and disadvantaged businesses, but it doesn't mean that if, indeed, that's been successful because of your efforts because of the nature of the contracts, that you may not have to expend the same level of effort to maintain it as you had to get there.

Mr. Hite. Well, this is entirely possible, Mr. Chairman. I would just like to see the level of effort continue at least for this fiscal year.

Senator McClure. I understand. And I hope you'll watch that very carefully, because you seem—you know what the tendency is, a program that is growing and doing well, tends to grow until it doesn't do well.

Mr. Hite. I agree with that, Mr. Chairman. And I could commit to you that it is not going to grow any more.

Senator McClure. Well, we want it to continue to be successful.

Mr. Hite. Yes, sir.

ASSISTANT SECRETARIES OFFICES

Senator McClure. Beginning in fiscal year 1981, a reduction of some $400,000 was made in the account which funds the six Assistant Secretaries and their staffs. This cut was followed by a further reduction of some $700,000 in fiscal year 1982, and it should be mentioned that the staffs of the Assistant Secretaries were reduced in a corresponding manner.

Mr. Hite. Yes, sir.

Senator McClure. Since fiscal year 1982, the budgets of the six Assistant Secretaries have slowly crept upward, although the fiscal year 1985 request still maintains this account slightly below the 1981 level. While the committee was in total agreement with the initial move to reduce the size and expense of these six offices and remains committed to maintaining these offices at the lower staffing and funding levels, strong rumors persist that a certain amount of skimming from the agencies to pay for Assistant Secretary activities occurs on a regular basis.

Is such skimming actually occurring? And if so, how much is, in fact, occurring?

Mr. HITE. Mr. Chairman, there have been instances, and to the best of my knowledge, they are for a special activity, one-time instances, where people have been detailed from the constituent bureaus of the various Assistant Secretariats. But I think it will be reflected in the report that we annually submit to you in connection with the budget, that these details have been for one-time projects.

Senator MCCLURE. Are funds provided for the agencies' programs in any way used by or for the Assistant Secretary offices, such as travel expenses?

Mr. HITE. There have been instances, Mr. Chairman, where the Program Assistant Secretary, traveling soley for the benefit or at the request of one bureau has used bureau funds.

Senator MCCLURE. Would you, please, for the record, provide a complete object class analysis for each of the six Assistant Secretary offices?

Mr. HITE. Yes, sir.

[The information follows:]

Assistant Secretaries
FY 1985 Budget Request
($000)

Subactivity	Personnel Compensation	Personnel Benefits	Travel & Transportation of Persons	Transportation of Things	Communications, Utilities & Other Rent	Printing & Reproduction	Other Serv.	Supplies & Materials	Equipment	Total
A/S Water and Science	632	75	39	--	13	7	9	5	2	782
A/S Land and Minerals Mgmt.	659	74	40	--	9	14	21	7	--	824
A/S Fish and Wildlife and Parks	674	73	35	--	11	2	7	3	--	805
A/S Indian Affairs	605	68	50	--	19	5	15	5	2	769
A/S Terr. and International Affairs	428	50	74	4	10	5	15	3	4	593
A/S Policy, Budget and Admin.	704	75	15	--	10	10	10	3	--	827
Total	3,702	415	253	4	72	43	77	26	8	4,600

PROPERTY ACCOUNTABILITY REGULATIONS

Senator McClure. During fiscal year 1983, you initiated work on a complete revision of the Department's property accountability regulations. In this regard, a streamlined and cost-effective program was implemented to reduce the time and costs of ordering, controlling, and paying for 20,000 U.S. Government vehicle credit cards.

Could you please describe briefly how this new program works and the results achieved so far?

Mr. Hite. Mr. Chairman, I'm going to have to submit that for the record.

Senator McClure. If you would, please.

Mr. Hite. Yes, sir.

[The information follows:]

Revision of Property Accountability Regulations

The entire Department, with the cooperation of GSA, has installed a new automated method of telephone ordering for oil company credit cards. The major impact of this new system has been in the areas of program management and improved cost efficiency.

Bureaus and offices no longer have to complete manual purchase orders for procurement of these credit cards. The new system permits offices to order them by telephone from a central point. It also provides improved management reports and enhanced internal controls. We now have a complete monthly inventory of all oil company credit cards in use by individual location.

Telephone ordering has eliminated a minimum charge of $25 per order. During the past 6 months alone, October 1983 through March 1984, 301 small orders for oil company credit cards have been processed by telephone. Previously, those same orders would have cost $7,525, for an annual cost avoidance of approximately $15,000 in the Department. In addition, we no longer have the cost of processing 301 separate purchase orders.

Billing locations have been reduced from 800 to 60 through consolidation of charges from oil companies. Prior to this consolidation, 800 field offices received separate invoices from each oil company, or approximately 57,600 invoices per year for a processing cost of approximately $576,000. Fewer billings have reduced this amount to $43,200.

INTERNAL CONTROL AND PROPERTY MANAGEMENT DEFICIENCIES

Senator McClure. In fiscal year 1982, the Department identified a number of deficiencies in the internal control of property management. During the remainder of the year, fiscal year 1984, and into fiscal year 1985, you expect to complete actions designed to correct these deficiencies.

Would you please describe briefly these deficiencies and identify what has been done or will be done to correct each.

Mr. Hite. Yes, sir, in a general sense, and I will also supplement this reply, sir.

Our inventories were deficient, particularly in the area that encompasses our Youth Program activities. We have completed a number of surveys. We have made a number of team visits to the affected areas. And as we indicate, hopefully, by 1985, the end of 1985, we will have a complete inventory program in place.

I have here some data on these activities, which I'd be glad to submit to you today and then supplement that.

Senator McClure. If you would, please.

Mr. Hite. Yes, sir.

[The information follows:]

Internal Control and Property Management Deficiencies

In 1982, the Office of the Inspector General and the Department's Office of Acquisition and Property Management initiated a joint project to assist bureau and office property managers in reviewing and evaluating their internal controls over property management activities. Our analysis identified internal control weaknesses in the areas of property accountability, inventory procedures, weapons accountability, and control over Government property in the hands of contractors and grantees.

Bureaus and offices were notified of their particular deficiencies and directed to take corrective action. A follow-up program was initiated by the Department to insure action was taken to correct those problems.

The Department's property accountability regulations, published in 41 CFR 114, which govern and direct the Property Management Program, have been revised and the final draft is now in the hands of the bureaus and offices for review and comment. These regulations are the basis for accountability throughout the Department. The revision places additional property accountability requirements on the bureaus and offices, outlines detailed property management responsibilities for each level of management and employees, strengthens the property managment structure, and requires assignments of accountability in writing at each level. Guidelines have been added to provide a method of debt collection in instances where an employee is found to be financially liable for loss, damage, or destruction of Government property.

Additionally, the inventory requirement has been reduced from biennially to annually, thus ensuring closer control over property. Bureaus and offices have or are in the process of issuing instructions to field activities to correct specific deficiencies identified in individual bureau and office reports.

The Department's Property Management Office is monitoring individual actions on each separate recommendation to ensure that deficiencies are corrected.

Plans for the remainder of fiscal year 1984 and fiscal year 1985 include issuance of departmental instructions on the control and accountability of Government property in the possession of contractors and grantees, and issuance of more specific guidelines on the accountability and control of weapons.

All of these actions are being coordinated with property officials at the bureau and office level.

ONGOING GOVERNMENT POSITION CLASSIFICATION ERROR RATE

Senator McClure. You report on page 65 of the justification that recent OPM studies have established an ongoing Government position classification error rate of 14.3 percent, with 30.8 percent of the Washington, DC, work force identified as overgraded.

How does the Department of the Interior compare with these overall Government rates?

Mr. Hite. I submit, Mr. Chairman, that we are nowhere near as grossly overgraded as those Government-wide figures submit; however, in connection with an executive branch effort which OMB has spearheaded, entitled "Reform 88," we are taking a look at our grade structure. We have incorporated an item on Secretary Clark's management by objective system, and we hope by fall to have an analysis that would satisfy the Office of Personnel Management in that regard.

[The information follows:]

POSITION CLASSIFICATION ERROR RATE

The Department has no directly comparable data to the OPM study. In the recent OPM study 10 jobs from one bureau's field installation and 10 jobs from a second bureau's headquarters office were selected for the review. No conclusions could be applied to the Department's total classified work force since the OPM sample is much too small. We review position descriptions and conduct desk audits with job incumbents as a regular part of our ongoing personnel management evaluation and cyclic review programs. However, the position descriptions which are drawn in this process are generally problem-oriented samples as opposed to random samples. One indicator, structural change in average grade, does illustrate the generally conservative approach Interior has taken in position classification. The Department's grade change as reported by the Office of Personnel Management for the period March 1974 to March 1983 increased 0.009 while the Government's overall increase was 0.201.

POSITION MANAGEMENT SITUATION

Senator MCCLURE. What is the Department now doing and what does it plan to do in fiscal year 1985 to resolve this situation?

Mr. HITE. The Department monitors appropriate position management and classification through a vigorous program of personnel management evaluations, position management reviews, and systematic cyclic classification reviews.

In addition to continuing this ongoing Classification. Position Management Review Program, the Department is now developing a formal grade bulge reduction implemenation plan for 1985 through 1988 in response to the administration's current position management emphasis. The draft plan had been completed and distributed for bureau review and comment. According to this plan, OPM/OMB prescribed targets will be achieved through a structured system which integrates management's role in work distribution and position management. Examples are career ladder review, lower level recruitment, identification of cost-saving job restructuring opportunities, intensified position management, and cyclic classification reviews.

ADDITIONAL COMMITTEE QUESTIONS

Senator MCCLURE. I have a number of other questions to submit for the record and other members may have, as well.

I think that will suffice for this morning; however, we would appreciate having the responses in writing at a reasonable time.

Mr. HITE. Yes, sir. Thank you very much, Mr. Chairman.

Senator MCCLURE. Thank you, Mr. Secretary, for your testimony this morning.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

Field Representation Activities

The Immediate Office of the Secretary provides the direct staff assistance to the Secretary necessary for the overall direction and coordination responsibilities of the Department.

Question: Am I correct that included under this activity is the Secretary's field representative located on the West Coast?

Answer: The Field Representative is included under this activity, as an extension of the Immediate Office of the Secretary.

Question: How much is budgeted for this representative, including office space and other incidental, necessary expenses?

Answer: Included in the request for the Immediate Office of the Secretary is approximately $100,000 to provide for the salary and related expenses of this function. In addition, $5,000 is included in the space account.

Question: Are funds included in the FY 1985 budget request for other similar field representative activities? If so, show much is included for such activities, where is it anticipated the additional field representation will be located, and when will it go into effect?

Answer: No additional funds have been requested for Field Coordination activities. However, due to the many management issues being addressed by the Secretary, additional staff from several bureaus is being utilized to assist the Special Assistant in San Francisco and Sacramento, California. It is estimated that approximately 5 workyears and $175,000 annually is being utilized for this purpose in addition to the funds budgeted in the Office of the Secretary.

Executive Secretariat Resources Levels

I have on my personal staff just 3 staff persons doing an excellent job of controlling my mail, and they also handle, on average, over 4,000 pieces per month. I should add that they, too, respond to general and routine mail via use of one computer terminal, as well as make sure that all mail is answered and logged-out within a maximum of 10 days.

Question: Why does it take 7 people in the Executive Secretariat to do what appears to be exactly the same as is done very well by 3 people in my office? Please explain this in detail.

Answer: It is difficult to compare the responsibilities of the two functions. The Secretary believes this function to be critical to the information flow and response from his office. The level of staff is necessary to adequately review, control and monitor the progress of some 4,000 pieces of mail each month to the different bureaus, office staffs or other agencies.

Question: It is my understanding that the Secretary may have plans to enlarge or otherwise alter the Executive Secretariat office. Specifically, what are these plans, when would they likely go into effect, and how much would you expect it would cost to implement any new changes?

Answer: The Secretary is currently reviewing the functions and processes of the Executive Secretariat. While it is planned to enhance the staff and realign responsibilities, specific costs have not been finalized. Once final decisions have been made, a reprogramming request will be submitted to the Committee to identify the resources required to effect the restructuring of this function.

Congressional and Legislative Affairs Office Workload

Along the same lines, you indicate on page 30 of your justification that the Office of Congressional and Legislative Affairs received approximately 6,000 pieces of mail during FY 1983, expects the same amount or slightly more during FY 1984 and FY 1985.

Question: Does Congressional Affairs compose answers to this mail or is it also passed along to other bureaus?

Answer: Congressional Affairs composes answers to some of this mail, while some of the mail is passed along to other bureaus and offices for response.

Question: How much of this mail is actually answered by the Congressional Affairs staff?

Answer: In FY 1983, the Congressional Affairs staff answered approximately 10% of the mail. However, due to instructions directed by the Secretary, effective March 1, 1984, the Congressional Affairs staff was assigned responsibility for handling interim acknowledgements and final responses on approximately 25% of all incoming Congressional mail.

Question: How much of the 6,000 pieces of mail is passed on from the Executive Secretariat?

Answer: None of the 6,000 pieces of mail is passed on from the Executive Secretariat. All Congressional correspondence is routed to Congressional Affairs directly from the Secretary's Mail Center. In addition to the 6,000 pieces of mail controlled by Congressional Affairs, our Office does review a portion of Executive Secretariat controlled mail.

Question: For the record, what are the specific costs associated with the handling and processing of this mail?

Answer: Specific costs associated with the handling and processing of this mail, based on current salary costs and workyears of effort, is approximately $148,700 annually.

Departmental Equal Opportunity Activities

Question: For the record, please identify the funds and FTE level that will be available at each of the DOI agencies for equal opportunity activities for fiscal years 1983, 1984 and 1985. Also, for the same fiscal years, identify by agency, the number of equal opportunity complaints lodged or expect to be received, the number of each complaints expected to be disposed of and the average time necessary to dispose such complaints.

Answer: The requested information, detailed by bureau, follows:

Bureau of Land Management
FY 85 Budget
Equal Opportunity Activities

	Actual FY 1983	Appropriated FY 1984	Requested FY 1985
Funds ($000)	1,937	2,040	2,132
FTE	54	77	77
No. of formal EO complaints lodged	* 16	55 (estimated)	55 (estimated)
No. of EO complaints disposed of	48	38 (estimated)	38 (estimated)
Average time to dispose of complaint	**	** (estimated)	** (estimated)

* Estimated formal complaints for FY 1983 was 50; however, because of the higher than normal resolution rate resulting from special Bureau Director's initiatives, only 16 formal complaints were actually filed. The FY 1984 and FY 1985 estimates of 55 formal complaints contemplates an increase of only 10 percent (5) above the previous estimate for FY 1983.

** The average time to process a formal complaint of discrimination from filing to the issuance of the final agency decision, including both time in BLM and the Department, is 1,050 days.

Projected informal complaints for FY 84 are estimated at 360 and 360 for FY 85.

Minerals Management Service

Equal Opportunity Activities

	Actual FY 1983	Appropriated FY 1984	Requested FY 1985
Funds	$353,000	$341,000	$341,000
FTE	11	10	10
#of EO Complaints lodged	14	13 (estimated)	15 (estimated)
# of EO Complaints disposed of	2	0 (estimated)	3 (estimated)
Average time to dispose of complaint		(estimated)	(estimated)

Office of Surface Mining

Equal Opportunity Activities

	Actual FY 1983	Appropriated FY 1984	Requested FY 1986
Funds (000)	167,434	163,800	163,800
FTE	4	4	4
#of EO Complaints lodged	5	6 (estimated)	6 (estimated)
# of EO Complaints disposed of	2	8 (estimated)	8 (estimated)
Average time to dispose of complaint (Days)	255*	942* (estimated)	300* (estimated)

* OSM responsibile for portion of complaints processing time only; i.e., USDOI responsible for investigation and final agency decision. In two instances, (FY 84) complaint not closed by USDOI until approximately 730 days after employee withdrew complaint.

Funds and FTE data extracted from 1983 Civil Rights Data Report, submitted in response to OMB Circular A-11.

Geological Survey

Equal Opportunity Activities

	Actual FY 1983	Appropriated FY 1984	Requested FY 1985
Funds (In Thousands)	$486,200	$ 490,000	$ 501,000
FTE	14	14	14
# of EO Complaints lodged	18	15 (estimated)	15 (estimated)
# of EO Complaints disposed of	2	10 (estimated)	10 (estimated)
Average time to dispose of complaint	186 days	180 days (estimated)	180 days (estimated)

NOTE: Data reflects formal complaints filed only. Number of precomplaints and informal resolutions during precomplaint stage are not included.

Bureau of Mines

Equal Opportunity Activities

	Actual FY 1983	Appropriated FY 1984	Requested FY 1985
*Funds	450,000	415,000	428,000
FTE	11	12	12
		(Estimated)	(Estimated)
# of EO Complaints (Formal) Lodged	11	14	17
# of EO Complaints Disposed of	4	7	9
**Average Time to Dispose of Complaint	1000 days	750 days	750 days

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* - Total funding for all EEO programs and total FTE's for all programs.

** - Entire processing time, Bureau, Department, EEOC and Courts.

Fish and Wildlife Service

Equal Opportunity Activities

	Actual FY 1983	Appropriated FY 1984	Requested FY 1985
Funds	$905,000	$934,000	$1,001,000
FTE	27	27	27
# of EO complaints lodged	18	6 (estimated)	10 (estimated)
# of EO complaints disposed of	5	16 (estimated)	10 (estimated)
Average time to dispose of complaint*	107	550 (estimated)	360 (estimated)

* The average time to dispose of complaints is estimated in calendar days, and takes into consideration processing of complaints by the Departmental Office for Equal Opportunity (acceptance, investigation, and final agency decisions). The relatively low (107 days for disposal) average for FY 1983 reflects cases that were disposed of by informal resolutions, voluntary withdrawal by complaintant, or informally adjusted after DOI investigation. The higher average times needed to dispose of cases in FY 1984 is due to the high number of cases that required formal actions by the Department and EEOC. The estimated average time for disposal used for FY 1985 is based on a ten year average.

National Park Service

Equal Opportunity Activities

	Actual FY 1983	Appropriated FY 1984	Requested FY 1985
Funds ($000)	1,693	1,752	1,825
FTE	46	46	46
#of EO Complaints lodged	61	60 (estimated)	60 (estimated)
#of EO Complaints disposed of	14	18 (estimated)	18 (estimated)
Average time to dispose of complaint*	84	84 (estimated)	84 (estimated)

*Calendar days from initial formal filing to issuing proposed disposition at the NPS director of EEO level.

Bureau of Indian Affairs

Equal Opportunity Activities

	Actual FY 1983	Appropriated FY 1984	Requested FY 198
Funds (dollars in thousands)	463	470	470
Staffing - FTE *	13	14	14
# of EO Complaints lodged	23	24 **	28 **
# of EO Complaints disposed of	30	35 **	30 **
Average time to dispose of complaint (months) ***	25.6	18.0 **	14.0 **
* Actual staff time for adjudication of complaints	1.7	1.5 **	2.0 **

** Estimated amounts
*** Time from date of receipt to final Bureau closure action, including Departmental investigation time.

Office of the Secretary *

Equal Opportunity Activities

	Actual FY 1983	Appropriated FY 1984	Requested FY 1985
Funds 1/ ($000)	1,877	1,928	1,928
FTE	42	49	49
# of EO Complaints lodged 2/	179	175	173
# of EO Complaints disposed of 2/	168	200	240
Average time to dispose of complaint 2/	586	527	475

1/ Includes EEO Investigations funded through the Working Capital Fund. Amounts requested for 1985 include downward adjustment for one-time 1984 cost offset by increased allowance for pay in 1985.

2/ Amounts for 1984 and 1985 are based on latest available estimates.

* Includes data for Territorial and International Affairs.

Office of the Solicitor

Equal Opportunity Activities

	Actual FY 1983	Appropriated FY 1984	Requested FY 1985
Funds ($000)	270	280	293
FTE	6	6	6
#of EO Complaints lodged	3	1 (est.)	1 (est.)
# of EO Complaints	---	---	1 (est.)
Average time to dispose of complaints	---	---	750 days (est.)

The funding and FTE's relate to legal advice and counsel provided to all Departmental bureaus and offices. However, the number of equal opportunity complaints represents only those that originated within the Solicitor's Office.

Office of the Inspector General

Equal Opportunity Activities

	FY 1983	Estimated FY 1984	Estimated FY 1985
* Funds	$26,000	$27,000	$28,000
* FTE	1	1	1
* Complaints lodged	1	1	1
* # of EO complaints disposed of	0	1	1
* Average time to dispose of complaint	-	-	-

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* The EEO function of the Office of the Secretary and other Departmental Offices is a budgeted function of the Office of the Secretary Human Relations Office. OIG is one of the Departmental Offices. Therefore, funds are not specifically appropriated to OIG for EEO activities. However, the numbers above represent the amount used for EEO counseling.

Bureau of Reclamation
Equal Opportunity Activities

	Actual FY 1983	Appropriated FY 1984	Requested FY 1985
Funds	$1,517,400	$1,532,550	$1,548,000
FTE	31.5	31	31
# of EO Complaints lodged	18	20 (Est.)	20 (Est.)
# of EO Complaints disposed of	13	18 (Est.)	20 (Est.)
Average time to dispose of complaint (days)	118	112 (Est.)	105 (Est.)

Small and Disadvantaged Business Contracting

It would seem that the trend in the direction of more contracts to small and disadvantaged businesses will at least stabilize if not continue to increase.

Question: Would you agree with this statement?

Answer: There remains a significant potential for increased contracting with small and disadvantaged businesses.

Question: If this is in fact the case, can't we assume that the same results will occur even if we greatly reduce the funding and personnel for this program? If not, please be specific and detailed in your explanation.

Answer: The increases in small and disadvantaged business contracting have been the direct result of the resources allocated to the Office of Small and Disadvantaged Business Utilization (OSDBU). If funding and personnel were reduced any further, the gains of the past four years would be reversed. Contracting with small and disadvantaged businesses is not yet a routine consideration for our contracting and technical personnel. Only through the continuous oversight, program review, training, and outreach efforts of OSDBU personnel has small and disadvantaged business awareness been brought to a relatively high level since 1979. Past experience has proven that without the high visibility and continuous program oversight provided by OSDBU through its program management reviews, prime contractor (subcontract program) reviews, seminars for technical personnel, workshops for procurement personnel, publication, attendance at small business trade fairs, and vendor counseling (in person and by mail), the small and disadvantaged business contracting gains would decrease dramatically.

Historically Black College and University Programs

The Department has, for fiscal year 1985, requested $309,000 and six FTE positions for a new, separate Office of Historically Black College and University Programs. This office has been proposed for creation through an FY 1984 reprogramming, also totaling $309,000, which was forwarded to the Congress on March 23, 1984. As reported in your justification, resonsibilities of this program have previously been accomplished through the Office of Small and Disadvantaged Business Utilization. Also according to your justification, DOI contract and procurement awards to historically black colleges and universities rose from $700,000 in FY 1983, and are expected to reach $3.5 million in FY 1984.

Question: This rise remains significant by any standard, and again it seems the trend of contracting with HBCU's has been established and will grow naturally. In this light, why do you need to devote $618,000 and six new full-time equivalent positions to a program that will likely advance on its own?

Answer: The Department is requesting $309,000 and 6 workyears in FY 1985 for this office. The efforts of this staff are the reason that our participation in HBCU programs has been so effective to date. While this staff is somewhat larger than what has been working on the program in the past, the potential results from the work this office has started will provide for greater return than has been invested.

Question: Other than more visibility, is there any advantage to separating this activity out of the Office of Small and Disadvantaged Business Utilization? Are there disadvantages to moving this activity, such as more administrative overhead?

Answer: Establishing this entity as a separate office provides for a source of resources solely dedicated to HBCU programs. There is no additional administrative overhead as a result of establishing this as a separate office.

Question: Should the Congress approve the FY 1984 reprogramming request and the FY 1985 budget request for the creation of this new office, what specific results do you expect to achieve that have not or would not be achieved with the current program?

Answer: The Department would hope that the Congress would support our funding request for the Office of Historically Black Colleges. The programs the Department has established to date are a direct result of the involvement of this office.

Public Domain Lands

On page 48 of your justification, you indicate that one of the FY 1985 objectives for the Assistant Secretary - Land and Minerals Management will be the streamlining of the internal directives system and regulatory functions relating to the management and development of the public domain lands.

Question: What specifically do you expect to accomplish here and how do you expect to accomplish it?

Answer: Our objective is to improve management efficiency. This is an ongoing initiative being taken as part of the President's Regulatory Reform initiative. Many of the manuals, handbooks and internal operating instructions are outdated, difficult to understand or cumbersome to use. The Bureaus are carrying out a program to systematically review operating procedures, with the objective of the elimination of unnecessary material and consolidation and implemention of guidance.

Assistant Secretary - Territorial and International Affairs

For fiscal year 1985, you have requested $593,000 for the Assistant Secretary - Territorial and International Affairs. This amount represents an increase of $164,000 -- or 27.7% -- over the FY 1984 appropriated level, and you are proposing no change in full-time equivalent positions.

Question: For what specific reasons have you proposed such a dramatic increase? Did the appropriations for this office provided over the last three fiscal years fall short of what was actually needed? If so, where were funds obtained to meet the expenses of this office?

Answer: The past appropriations for this office have fallen short of funding the authorized level of full-time equivalent positions. The office has managed to stay within its appropriated amounts by leaving vacant positions unfilled, but this has had at least some detrimental effect on performance of the programs. Salary and benefit cost of the 9 workyears totals approximately $478,000. This leaves very little additional money for travel, and other routine overhead and expense items.

Under a recently appointed Assistant Secretary, the office has embarked on a new program that stresses economic development, technical assistance and financial responsibility in the territories. This program requires substantial travel by the Assistant Secretary and his staff. As recently as the FY 1984 appropriation hearings, the office was criticized for not traveling and spending enough time in the territories. We believe the criticism was justified and the programs and actions of the new Assistant Secretary are designed to correct that deficiency. Travel is the only expense item other than personnel compensation where we are requesting a significant increase in funding.

REFORM 88 ACTIVITIES

Question: For the record, please provide a detailed description of all "Reform 88" activities performed by the Department of the Interior during FY 1984, and those planned in FY 1985. Include the number of full-time equivalent personnel associated with each activity, the cost of each activity, and the expected benefits to DOI of each activity, including the savings, if applicable.

Answer: This response generally conforms to the categories contained in OMB Bulletin No. 84-6, Management Initiatives - Statements for Congressional Justification Materials.

ADMINISTRATIVE ORGANIZATION MANAGEMENT

Internal Control Systems: Implement and maintain effective controls to prevent fraud, waste and abuse, in accordance with OMB Circular No. A-123 and the Federal Managers' Financial Integrity Act of 1982.

Bureaus and offices have inventoried assessable components, conducted vulnerability assessments, and prepared plans to conduct 1984 internal control reviews. Through the balance of FY 1984, bureaus and offices will complete their internal control reviews, conduct the necessary training to assure quality reviews, and implement a reporting and assurance process which the Secretary can rely upon in his statement and reports to the Congress and President. The FY 1985 review will essentially repeat the 1984 review process with more emphasis on strengthening the process, monitoring and tracking corrective actions, and increasing the overall integrity of the Department's internal control review process. This will require 2 FTE's in FY 1984 and approximately 2.5 FTE's in FY 1985 from the Office of the Secretary alone.

The Department expects benefits in improved management from establishing and maintaining better systems of internal accounting and administrative controls in its programs; and in achieving greater assurance that: (1) obligations and costs are in compliance with applicable laws, (2) assets are safeguarded, (3) revenues and expenses are properly recorded, and (4) accounting systems are in compliance with the principles and standards prescribed by the Comptroller General.

The Department is initiating an internal control improvement tracking system. Reports on the results of internal control improvements are not expected before FY 1985. Hence, no significant savings can now be estimated. Moreover, many of the benefits of improving internal control systems may be difficult, or impossible, to quantify.

Paperwork Reduction: Reduce paperwork burden imposed on the public. In FY 1984 the burden imposed on the public by collections of information by the Department was reduced by 5 percent or 1,035,000 hours. In FY 1985 the burden will be reduced 5 percent from the September 1984 figure. The equivalent of 30 full-time employees work on the reductions, for a total cost to the government of $912,060. The benefits are primarily to the public, which no longer supplies information which is no longer requested or required.

Space Management: Reduce owned and leased space utilized by the Department. Pursuant to a governmentwide space reduction program, the Department is taking steps to assure minimum space assignment necessary for agency missions. Reductions are sought in both agency-controlled and GSA-controlled space. This has required at least 20 FTE's for FY 1984 and at least 14 FTE's for FY 1985. Estimated savings to the government are $8,451,000 in FY 1984 and projected at $6,300,000 in FY 1985.

Utilization of Data Communications Circuits: Evaluate opportunities to cost-effectively share or merge data communications facilities. A commercially contracted study was undertaken to measure actual utilization on 20 selected dedicated data communications circuits. The study identified where facilities with common geographic paths could be shared or merged. Implementation of recommendations could potentially result in cost avoidance of $160,000 annually. An estimated government personnel expenditure of $2,200 is associated with this study.

Property Management: Develop new Departmental motor vehicle and property accountability regulations which are in consonance with new Federal Property Management Regulations. The draft Departmental regulations also set forth additional policies and procedures which are designed to overcome many deficiencies which have been identified during the past two years by internal control reviews and the Inspector General.

Among the benefits is a reduction in the processing time associated with certain property transactions. Other benefits include improved motor vehicle maintenance and utilization programs, and improvements in property accountability and report of survey procedures for the disposal of property. One-half FTE at the Department level has been devoted to this work.

Information Technology Centers: Provide managers with current information about the rapidly changing field of small computers. Information Technology Centers have been established as education and training facilities for Departmental employees in "state of the art" personal computing technology. The Centers provide a showcase for microcomputers, peripheral devices and software. Introductory learning opportunities are provided by center staffs.

One such center in the Office of the Secretary was established at a cost of $33,500 with current annual staffing costs for approximately 2 FTEs at

$72,000. The hourly cost of training at the Information Technology Center is approximately $10 less than typical commercial rates.

Overall, the Centers provide a convenient way for employees to learn about small computers through demonstrations and experiential learning. They also provide an effective referral service for additional training and product evaluation by technical and other user groups.

Distribution of Surplus Books: Augment library collection. Approximately 4,200 surplus books obtained from the Library of Congress have been sent this year to small field libraries with little or no resources to develop a collection. The cost of the program is minimal. The field staff benefits from access to the additional books. If the books were purchased, they would cost approximately $60,000-$70,000.

Office Automation: Reduce costs and increase efficiency in information transfer. A recent study recommended that electronic mail systems (EMS) in the Department should be compatible. Compatibility of EMS in the Department should decrease communications costs and increase the efficiency of intradepartmental transfer and use of information, especially in the administrative areas of finance, directives, and internal communications.

In the future, compatible EMS in the Department will interface with government-wide systems thus promoting improved productivity.

A significant initial investment of funds will be required for the hardware, software and networking services, but the long term results of these investments will be evidenced through improved productivity and increased cost-savings benefits.

ADMINISTRATIVE SYSTEMS

Systems Integration/Consolidation: Identify administrative systems for integration/consolidation. The Task Group on Integrated Systems comprised of representatives from each Bureau and chaired by the Office of Information Resources Management was created to examine new automated system design and redesign efforts to promote sharing among the bureaus. The task group identified systems that lend themselves to integration, coordination or consolidation.

This effort required approximately one FTE and $50,000 in order to accomplish its charge. The recommendations on candidate systems were contained in the Task Force Report presented to the Department in March of 1984. The Department expects to act upon the recommendations during FY 1984 and FY 1985.

Five-Year ADP and Telecommunications Organization Plan: Develop a long-range plan to promote the cost effective acquisition of ADP and telecommunications resources. A comprehensive five-year ADP and Telecommunications Acquisition Plan has been developed and used in acquisition planning meetings with the senior management of each bureau. This plan will also be used in the analysis of all procurement requests to the Department.

The benefits of the planning process are to prevent inaccurate and inconsistent cost estimates, prevent sole source or limited competition procurements when competitive procurements would be cheaper, consolidate or coordinate similar or duplicative procurements, and reduce obsolete or non-cost-effective technology, particularly in the area of telecommunications.

This plan is an ongoing effort and will become more useful as the methodology to produce it becomes integrated into the Bureau management process.

ADMINISTRATIVE CONSOLIDATION

Achieve savings by administrative improvements and consolidations. The Office of Management and Budget is reducing the Department's FY 1986-89 budget by

1262 FTE's and $121.6 million in anticipation of administrative improvements and consolidations. The Department has initiated a study of how best to achieve these goals, and plans to establish two consolidation pilots, one in Washington, D.C., and one in the field, during FY 1985. In FY 1984, approximately 15 FTE's at a salary of approximately $542,000 and an additional $50,000 for travel expenses will be used to conduct the study. An additional 5 FTE's at a salary of $180,000 and $20,000 for travel expenses will be used to establish the pilots.

The intended benefits of consolidation will be savings in FY 1986-1989. No savings are projected for FY 1984 and 1985.

PAYROLL/PERSONNEL

Payroll/Personnel System: Reduce the number of payroll/personnel systems and supporting functions to effect improvements, economies, and efficiencies in agency personnel/payroll management and related operating structures. Through FY 1984, the Department reduced the number of payroll/personnel systems from four to two, selected a single payroll/personnel system for the Department and converted the users of the expiring system to a Departmental system. In FY 1985, special emphasis will be placed on assuring that the single Departmental payroll/personnel system meets all Departmental requirements and accomplishes the deferred system improvement needs of users occasioned by the FY 1984 conversions. (While closing other systems and converting to one system, many improvements were deferred.) Also, during FY 1985, that portion of the accounting systems which support the payroll system through data collection and entry will be reviewed for the purpose of consolidating these functions throughout the Department. This requires .8 FTE for FY 1984 and approximately 1 FTE for FY 1985 for the Office of the Secretary alone.

A single Departmentwide system will reduce costs, establish centralized control, direction, and management, and be more responsive to requests from the Congress, the Office of Management and Budget, Office of Personnel Management and Department managers. While it will be less costly to operate one system than to have continued with four, inflation has impacted original savings estimates which were based upon static costs. Our best estimate is that by FY 1986 it will cost at least 20 percent less than if multiple systems were operated.

Personnel Reductions: Reduce the number of staff years utilized to accomplish the work of the Department while maintaining an acceptable level of service. Full-Time Equivalency staff year usage for FY 1983 was 73,452 staff years. The target levels established for FY 84 and FY 85 are 73,232 and 72,826 respectively which will result in a savings of 220 staff years for FY 1984 and 626 staff years for FY 1985.

The Department of the Interior monitors personnel employment levels and staff year usage to ensure that ceilings/target levels allocated by OMB are not exceeded. The Reform 88 Initiative on Personnel Reduction is similar to the ongoing program to control employment levels and subsequent costs. Given the costs and staff years associated with these ongoing activities, additional costs and staff years from this initiative are minimal.

Grade Bulge Initiative: Reduce the number of employees in the GS/GM-11 through 15 grade range, pursuant to OPM/OMB guidelines. The Department of the Interior has developed a Secretarial MBO to meet the requirements of this initiative. A task group has developed a plan to provide a consistent Departmentwide approach to accomplish specific reduction targets and assess progress. Individual bureau plans will be developed by September 1984. OMB has levied a 2% reduction in funds allocated for employees in this grade range, which amounts to $4.3 million for FY 1985.

PROCUREMENT REFORM

OMB Circular A-76: Determine the most economical manner of performing commercial activities — in-house or by contract. Part of the A-76 review process provides management with an opportunity to critically evaluate existing operations and make appropriate changes to improve operations. The estimated number of activities to be reviewed is 504 in FY 1984 and 636 in FY 1985. These activities employ 9,000 FTE's and the estimated annual cost of operation is $202.7 million.

Potential savings attributed to A-76 reviews is estimated to be 15-20% of the annual cost of operation.

Procurement Improvements: Implement reforms to ensure effectiveness and efficiency in procuring goods and services. Several actions were taken toward this goal. In FY 1984, the Department established overall accountability for acquisition by designating a Procurement Executive pursuant to EO 12352. Review of debarment/suspension actions and mistake-in-bid determinations were expedited by issuing changes in existing regulations. Lower acquisition costs and improved use of resources should be achieved through establishment and monitoring of an MBO for improving competition and advance planning in acquisition activities. A review of small purchase activities was conducted to develop a Departmentwide training program, simplify the small purchase handbook, and perform an automation pilot study to increase efficiency in the small purchasing function. Improved oversight and accountability of contracting offices were accomplished through development of a data base management system for the Department's warrant system. Streamlined implementation of the Federal Acquisition Regulations (FAR) was achieved through publication of the Department's Acquisition Regulations (DIAR) and improved use of FAR and DIAR will result from Department-sponsored training sessions to be conducted nationwide. The Department increased quality control and minimized burdens on its bureaus by establishing a centralized system for maintenance of solicitation provisions and contract clauses for Departmentwide use.

For FY 1985, the Department plans to simplify its Interior Procurement Data System through utilization of a standard form. In addition, improved oversight of the acquisition function will be accomplished through establishment of a Departmentwide procurement system for evaluation and certification of system performance pursuant to EO 12352.

CASH MANAGEMENT

Modernize cash management in the Department through the implementation or expansion of the use of wire transfer of funds. Throughout FY 1984, the Department implemented the use of wire transfer of receipts in selected bureaus. This effort has required 2 FTE's in the Office of the Secretary alone. In FY 1985, wire transfer will be expanded to all practical applications for both receipts and disbursements. This effort will require approximately 2.5 FTE's in the Office of the Secretary alone.

Benefits will accrue to the Treasury and not appropriations of the Department of the Interior. We expect to save the Treasury $3.9 million by the use of wire transfer in FY 1984 and $5.2 million in FY 1985 if mineral leasing bonus and royalty receipts are as estimated. These initiatives and estimated savings have been supported and substantiated by both the Grace Commission and Treasury.

DEBT COLLECTION/CREDIT MANAGEMENT

Improve management of outstanding debts by intensifying the debt collection effort. Interior does not control the establishment of the majority of the debt that becomes delinquent. As of December 31, 1983, the Department had $160 million in delinquent debt, of which $117 million resulted from fines, mining fees, and trespass cases. Three bureaus (Office of Surface Mining, Bureau of Indian Affairs, and the Bureau of Land Management) have about 95% of the total Departmental delinquent debt.

Throughout FY 1984, the Department has utilized the services of collection agencies to collect miscellaneous cases of delinquent debt. In FY 1985, we will continue to use contractors to assist in debt collection, and their use will be expanded, where appropriate. This effort has required 2 FTE's in FY 1984 and will require approximately 2 FTE's in FY 1985 in the Office of the Secretary alone.

This will result in increased revenues to the Treasury. Given the lengthy appeal process, it is difficult to measure the success of debt collection in the penalty and fines collection area. However, the debt collection effort has expedited the payment of all major debt to the Department and many old debts are being paid. Delinquent debtors who do not pay will be reported to credit bureaus in accordance with Office of Management and Budget instructions.

FINANCIAL INFORMATION SYSTEMS/FINANCIAL SYSTEMS/PAYMENT CENTERS

Improve financial information systems and processes. Pursuant to an OMB request, the Department is developing a system for reporting certain financial/administrative management information by the end of FY 1984. Long-standing deficiencies in nine of the eleven Departmental financial systems have been systematically catalogued and potential solutions developed. During the remainder of FY 1984, bureau and office plans to correct these identified deficiencies will be monitored by the Department.

To satisfy OMB FY 1985 budget passback requirements, a contractor will perform a three-phase consulting study. The purpose of the study is: (1) to refine Interior's methodology and system for capturing and reporting the OMB interim financial/administrative management information system data elements; (2) to determine the level of consolidation of administrative payment centers within Interior; and (3) to determine the number and types of financial systems needed to process bureau/office financial transactions. This contract is expected to be awarded in the fourth quarter of FY 1984. Contractor recommendations for consolidating administrative payment centers within Interior are expected by the third quarter of FY 1985. Action plans will then be developed to reduce the number of administrative payment centers.

Contractor recommendations as to the number and type of financial systems needed in the Department will be available by the second quarter of FY 1986. This requires 1.8 FTE's for FY 1984 and approximately 2 FTE's for FY 1985 for the Office of the Secretary alone.

The potential savings and the cost of the three-phase contractual effort will not be known until the contract is awarded. However, the consolidation/integration of administrative payment centers and financial systems is expected to increase the efficiency and effectiveness of financial management operations within Interior and to result in cost savings in future years.

PRINTING/DUPLICATING FACILITIES

Close or downgrade printing/duplicating facilities. Ten field printing establishments will be closed or significantly reduced by the beginning of FY 1985.

During FY 1984, the Departmental Printing Plant (DPP) has been reduced by one FTE and the FY 1985 budget request is being revised to reflect an additional reduction of three FTE. The "savings" in salaries and benefits of approximately $16,200 in FY 1984 and $48,600 in FY 1985 will be diverted to maintain equipment, etc. Concurrently, the DPP will absorb much of the printing work previously performed at the Pittsburgh, Pennsylvania facility for the Bureau of Mines beginning in FY 1985.

TRAVEL MANAGEMENT

Reduce the amount of outstanding delinquent travel advances. During FY 1984, outstanding travel advances were reduced and a special effort made to collect delinquent advances. Interest was assessed on all delinquent advances and a travel charge card program to reduce the need for travel advances was being tested. This has required one FTE in the Office of the Secretary alone.

In FY 1985, efforts will continue in the reduction of travel advances, collection of all advances over 30 days old, and increased use of the travel charge card. This will require approximately 1 FTE in the Office of the Secretary alone.

The Treasury will benefit from reduced travel advances since it does not have to borrow money for advances to employees. In FY 1984, the level of advances will be reduced to $1 million below the previous fiscal year. This will save the Treasury about $100,000 per year. In FY 1985, another reduction is planned, but the amount has not been determined at this time.

The Department's centralized travel office for the Washington, D.C. metropolitan area will be converted to a contract travel agency in FY 1985 for a saving of 4 FTE's and $130,000.

Management Initiatives

A summary of the Department's management initiatives and related savings reflected in the FY 1985 Budget is displayed below by category and bureau.

In support of the Administration's management improvement program, the Office of Management and Budget, in conjunction with Interior, conducted special management reviews to identify areas where improvements could be made in the administration of program activities. In FY 1985, certain management initiatives will be conducted to improve cost effectiveness and performance of the Department's management and support functions. Savings anticipated from the closure or downgrading of printing facilities, contracting for services currently provided by Interior personnel, closing the Department's travel office, improving procedures for making disbursements and collecting receipts, and reducing the number of personnel in the GS 11-15 grade levels by filling vacancies in these grades at lower grade levels, has enabled the Department to reduce its budget authority request by $9.4 million, outlay estimates by $10.5 million, and employment by 459. These initiatives and others will be conducted over the next few years, resulting in budgetary savings without adversely affecting program accomplishment. Below are brief descriptions of the initiatives and savings identified for FY 1985.

Close/Downgrade Printing and Duplicating Facilities

This management initiative involves savings resulting from closing or downgrading printing and duplicating facilities in FY 1985 and obtaining printing services from the private sector.

	FY 1985 Savings	
Operating Cost Savings	FTE	BA/BO 1/
Bureau of Land Management (Downgrade: Boise, ID; Denver, CO.; Close: Cheyenne, WY.; Portland, OR.)	9	396
Bureau of Reclamation (Close: Boulder City, NV; Denver, CO; Sacremento, CA; Boise, ID)	22	750
Bureau of Mines (Close: Bruceton, PA)	24	287
Subtotal	55	1,433

	FY 1985 Savings FTE	FY 1985 Savings BA/BO 1/
Capital Cost Savings		
Bureau of Mines	--	1,667
Total savings, printing	55	3,100

A-76 Savings

This management initiative involves savings estimated to result from contracting out services currently provided by Departmental personnel based on cost comparison reviews conducted under OMB Circular A-76. Although funding savings are anticipated as a result of these reviews, dollar savings are not forecast until later years due to the uncertainty regarding one-time costs associated with the conversion of services from a government-operated to a contractor-operated basis.

Bureau	FY 1985 Savings FTE	FY 1985 Savings $BA/BO1/
Bureau of Land Management	15	
Bureau of Reclamation	47	
Fish and Wildlife Service	38	
National Park Service	180	
Geological Survey	14	
Minerals Management Service	7	
Office of Surface Mining	1	
Bureau of Mines	8	
Bureau of Indian Affairs	88	1,850
Office of the Secretary	2	
Total savings, A-76	400	1,850

Close Departmental Travel Office

Savings can be realized by closing the Department's travel office in the headquarters building and obtaining similar services at no cost from the private sector.

Bureau	FY 1985 Savings FTE	FY 1985 Savings BA/BO 1/
Bureau of Land Management	--	21
Fish and Wildlife Service	--	21
National Park Service	--	21
Geological Survey	--	46
Minerals Management Service	--	21
Office of the Secretary	4	--
Total savings, travel office	4	130

Cash Management -Disbursements

Budget outlay savings will result by using wire transfers for delayed - but on time - disbursements rather than issuing checks, often early or late, for certain disbursements.

Bureau	FY 1985 Outlay Savings1/
Office of Surface Mining	181
Bureau of Indian Affairs	900
Total savings, cash management	1,081

Cash Management - Receipts

To accelerate the deposit of certain payments to Federal accounts, the Department will convert from receiving and processing checks from certain payees to collecting payments by use of wire transfers and lockboxes. These methods will result in faster crediting of payments yielding the following additional receipts in FY 1985:

Receipts to Treasury		$9,000
OSM Debt Collection		
Civil Penalties	($5,000)	
Mining fees	($4,000)	
Offsetting Receipts - Interior		300
NPS Franchise fees		
Additional receipts, cash mgt.		$9,300

Position Management Bulge Reduction

This management initiative provides for savings to be realized by reducing the number of positions in the GS 11-15 range. As these positions become vacant through attrition, some will be filled at lower grade levels.

Bureau	FY 1985 BA/BO Savings1/
Bureau of Land Management	724
Bureau of Reclamation	547
Fish and Wildlife Service	499
National Park Service	547
Geological Survey	892
Minerals Management Service	194
Office of Surface Mining	90
Bureau of Mines	226
Bureau of Indian Affairs	413
Territorial and International Affairs	7
Office of the Secretary	86
Office of the Inspector General	35
Office of the Solicitor	40
Total savings, management bulge	4,300

Grand totals, management initiatives 1/

Budget savings: 459 FTE; $9,380 BA; $10,461 BO

Additional receipts: $9,300

1/ Dollars are in thousands.

Employee Details

Question: Also, please list the number, by agency, of DOI personnel detailed to other executive and legislative branch offices. Include in this list the salaries associated with each detailee.

Answer: Employees detailed from an Interior office to another office reimbursable and non-reimbursable by name and purpose, by agency (for 1983 and 1984 to date) are listed on the attached.

The following data provides information on employees detailed from one agency (bureau) to another. This listing excludes limited time clerical support, due to emergencies and those specifically hired to provide agency representation on long term basis to specific functions, i.e. IPA's, specific training assignments or cooperative agreements with state or other government organizations.

DETAILED EMPLOYEES

Bureau: Bureau of Land Management

FY 1983

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Bernard, Brian	09/09/82 11/08/82	Asst. Secy. L&MM		X	$49,121	Asset Management Program Task Force
Budd, Karen	11/28/82 Present	AS/L&MM		X	$20,965	MBO Administration & Issues Management
Geehan, Pat	05/05/82 05/04/83	Property Review Board		X	$43,024	Provide Liaison between DOI and Prop. Review Board
Krech, William	09/07/82 01/07/83	Asst. Secretary L&MM		X	$41,277	Asset Management Program Task Force

Bureau: Minerals Management Service

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Judson, Matt	11/23/82 12/03/82	BLM	X		$36,152	Conduct EEO conference

Bureau: Office of Surface Mining

FY 1983

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Kelley, Francis	10/01/82 11/11/82	Office of Mgmt. & Budget		X	$37,400	Assist in management reform program.
Markley, Mary Jane	10/01/82 10/23/82	Bureau of Indian Affairs		X	$27,600	Assist in fee collection program.
Shafer, Judy	08/04/83 09/30/83	National Park Service		X	$26,800	Archeology Program

Bureau: Reclamation

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Ward, Brenda	10/01/82 Present	Cong. Liaison		X	$19,422	Staff support
Bort, Peter*	10/01/82 09/30/83	Sol		X	$17,138	Staff support
Higgins, Kevin*	10/01/82 09/30/83	Sol		X	$17,138	Staff support
Stoker, Douglas*	10/01/82 09/30/83	PPM		X	$17,138	Staff support

* Part-time and intermittent employees

Bureau: Geological Survey

FY 1983

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Bufe, Charles G. GM-1313-14	10/01/82 07/27/83	Dept. of Energy	X		$44,029	Coordination of scientific aspects of hazards information.
Cooper, Margaret GS-1350-13	10/01/82 Present	Bureau of Land Management		X	$41,914	Continued cooperation with BLM on geologic matters; library research for BLM projects.
McGovern, Harold E. GS-1315-12	08/03/83 09/30/83	Office of Surface Mining, Denver, CO	X		$38,185	Memo of Understanding between OSM/USGS to assist in coal mining activities.
Janke, Norma GS-345-12	09/23/83 01/01/84	DOI, Office of the Secy.	X		$7,232*	Served as Staff Assistant to the Executive Director of the Commission on Fair Market Value for Federal Coal Leasing.
**Holser, Alexander F. GM-1301-15	10/01/82 09/30/83	Office of AS/ Water & Science		X	$63,115	Provides technical assistance and support to Office of Assistant Secretary on marine matters.

* Overtime cost only.

Bureau: Geological Survey

FY 1983

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
**Pearson, Patricia M. GS-318-7	10/01/82 09/30/83	Office of AS/ Water and Science		X	$19,422	Provides secretarial assistance to staff members, Office of Assistant Secretary.
**Wiesner, Lois C.	10/01/82 09/30/83	" "		X	$22,277	" "

** Employees are officially assigned to positions located in the Office of the Director, Geological Survey, but perform services in the Office of the Assistant Secretary - Water and Science from which employees receive day-to-day supervision and direction. Administrative supervision is provided by the Director, Geological Survey.

Bureau: Fish and Wildlife Service

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Mason, William T.	02/07/83 02/07/84	Environmental Protection Agency	X		$40,750	Environmental studies

Bureau: National Park Service

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Bradford, Mary R.	06/20/82 Present	Office of Congressional Affairs		X	$42,722	To assist in review of legislation

Bureau: National Park Service

FY 1983

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Curtis, Joyce J.	11/24/74 Present	Office of AS/FWP		X	$25,159	To assist in review of mail
Gardner, George M.	05/29/83 04/30/84	OMB		X	$55,378	To assist management review program
Maestas, Cirilio D.	08/16/81 03/15/83	EEO Office		X	$49,842	To assist Equal Opportunity Complaints reviews
Hay, Susan D.	10/24/83 06/24/84	Dept. of Justice		X	$26,212	To provide administrative support
Sudia, Theodore W.	12/09/82 Present	BIA	X		$67,800	To assist financial ADP project
White, Dollie Y.	03/20/83 03/19/84	Library		X	$22,277	To work on Alaska Lands Review Index
Wilson, Rex L.	09/05/82 01/28/84	Office of Surface Mining	X		$58,164	To work on Land Reclamation project

Bureau: Office of Territorial and International Affairs

FY 1983

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Frias, Ralph	04/03/83 09/30/83	Bureau of Land Management		X	$58,261	Detailed, pending reassignment
Uchida, Nori	10/01/82 09/30/83	Minerals Management Service	X		$40,000 + overtime	Provides administrative support to Director, Minerals Management Service.
Bureau: Office of the Solicitor						
Mauro, Louis	04/08/83 09/30/83	Bureau of Reclamation	X		$59,035	To update Federal Reclamation and Related Laws. This detail was completed on 4/7/84.
Scott, John	09/18/83 09/30/83	Bureau of Land Management		X	$65,000	To review the Land Acquisition and Condemnation Program
Bureau: Office of the Secretary						
Lukach, Teresa	12/22/82 05/06/83	White House		X	$20,256	Provide administrative support to the White House
*Fitzgerald, Teresa	10/01/82 09/30/83	White House		X	$22,281	Provide administrative support to the White House

* Details not officially documented

Bureau: Office of the Secretary

FY 1983

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
*Lukach, Teresa	08/07/83 09/30/83	White House		X	$20,256	Provide administrative support at the White House
*Quinn, William	10/01/82 09/30/83	BIA		X	$29,374	Serve as Project Coordinator on Indian Recognition for the Bureau
Crossland, George	10/21/82 04/25/83	BIA		X	$57,500	Provide natural resource expertise to the Bureau
White, Lincoln	07/24/83 10/01/83	DO Education	X		$57,500	Serve as Director on Indian Education
Flagerty, Daniel	04/17/83 09/30/83	Bureau of Mines		X	$42,653	To work on financial management project
*Redington, Mary	08/21/83 09/30/83	White House		X	$24,508	Provide administrative support to the White House
*Zataga, Mary	10/01/82 09/30/83	White House		X	$26,956	Provide administrative support to the White House

* Detail not officially documented

Bureau: Office of the Secretary

FY 1983

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
*Campbell, Peggy	10/01/82 06/04/83	White House		X	$21,606	Provide administrative support to the White House
Hay, Susan	02/13/83 05/14/83	NPS		X	$24,500	Serve as a liaison between NPS and Ofc. of the Secretary
*Tiller, John	08/21/83 09/30/83	White House		X	$51,789	Provide scheduling support to to the President
*Vasilou, Rosalie	10/01/82 09/30/83	White House/ FWS		X	$41,277	Provide liaison between FWS and Ofc. of the A/S and White House
Roach, Joseph	08/18/83 09/30/83	FWS		X	$24,508	Serve as Admin. Officer/ Management Analyst for FWS
Dunn, Lisa	10/01/82 12/24/82	MMS		X	$11,949	Provide clerical support to newly formed Bureau
*Sundseth, Carolyn	10/01/82 05/14/83	White House		X	$34,930	Provide professional support to Interior programs of the White House

* Details not officially documented

Bureau: Office of the Secretary

FY 1983

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Martin, Barbara	06/12/83 09/30/83	Arms Control Disarmament Agency	X		$27,776	Provide administrative support to the Deputy Director
Gerst, Jay Staff Assistant GS-301-15	10/01/82 11/12/84	BIA	X		$55,025	Assist in financial management project
Clayton, Dollie T. PMS, GS-201-12/4	08/14/83 09/25/83	Labor Dept.		X	$32,311	Provide classification assistance
McGuire, Charles	10/01/82 06/19/83	Office of Trade Rep, EXOPres.		X	$43,975	Congressional relations activities
McGuire, Charles	06/20/83 09/30/83	OSM		X	$43,975	Assist in property management program
O'Bannon, Michael	12/05/83 Present	BIA	X		$55,277	To provide professional budget services in BIA
Brantley, Margaret R. Secretary (Steno) GS-318-7/7	09/20/83 09/30/83	BLM		X	$18,871	PMS Training agreement between BLM and PCM signed 09/20/83

Bureau: Bureau of Land Management

FY 1984 YTD

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Baldwin, Doug	11/06/83 Present	Office of Secretary Public Affairs		X	$63,115	Facilitate transition between Secretaries
Bandurski, Bruce	07/10/83 11/06/83	State Dept. Intern'l Joint Comm.		X	$47,672	Lead responsibility to devise plan for establishing US/Canadian Transboundary Network
Corigall, Keith	01/16/84 Present	Office of Territorial Affairs		X	$50,994	Provide tech. assist. ser. for the Territories
Fare, James	04/12/83 04/01/84	OMB		X	$65,327	Proj. Manager for the Reform '88 Financial/Adm. Management Info. Sys. Project
Hillings, Jennifer	03/25/84 Present	Office of Secretary		X	$52,052	Providing Liaison between Assoc. Dir. & Secy. Field Rep.
King, Leroy	02/19/84 Present	NPS		X	$10,671	Receive work exp. in another field
Lee, Dorothy	03/28/84 Present	Office of Secretary		X	$27,904	Providing Liaison between Assoc. Dir. & Secretary's Field Rep.

Bureau: Bureau of Land Management

FY 1984 YTD

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Newcomer, Claire	10/01/83 03/30/84	AS/L&MM		X	$42,653	Liaison between BLM & AS/L&MM on Wilderness issues
Sagalow, Bruce	01/22/84 05/20/84	FWS		X	$42,177	Provide Class. Support
Schmale, Lyn	03/18/84 Present	AS/L&MM		X	$10,972	Pol. & Prog. Coord. in L&WR
Smith, Henry	10/01/83 Present	Asst. Secy. L&MM		X	$61,335	To provide assistance to AS/L&MM on Budget issues for BLM
Strasfogel, Andrew	10/16/83 02/14/84	Fair Market Comm.		X	$48,553	Fed. Coal Leasing Project
Bernard, Brian	04/25/83 12/20/83	Property Review		X	$52,705	Provide Liaison between DOI and Property Review Board

Bureau: Minerals Management Service

Lee, Kevin	03/05/84 06/04/84	AS/L&MM	X		$11,000	Driver

Bureau: Minerals Management Service

FY 1984 YTD

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Schwartz, Leslie	02/19/84 04/18/84	Office of Secretary	X		$60,300	Assist. in computer installation
Cadenas-Planas, Pedro	01/08/84 05/06/84	Bureau of Indian Affairs	X		$38,300	Work on financial management project
Millgate, Marvin	10/83 12/83	BLM	X		$46,900	Work on mineral leasing data
Katock, Robert	10/83 12/83	BLM	X		$32,400	Work on mineral leasing data
Bureau: Office of Surface Mining						
Newton, Murray	10/03/83 05/26/84	OMB		X	$52,000	Management Reform Program
Judy Shafer	10/01/83 01/02/84	National Park Service		X	$27,600	Archeology Program

Bureau: Reclamation

FY 1984 YTD

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Thompson, Darrell	2/13/84 Present	AS/WS		X	$63,646	Staff assistance on reclamation projects
Klostermeyer, William	01/08/84 Present	POB		X	$67,800	Acting Budget Officer
Snow, Mitchel	01/10/84 Present	AS/WS		X	$30,402	Staff assistance on reclamation projects
Lau, Loretta	01/08/84 03/03/84	AS/WS		X	$23,412	Secretarial support
Ward, Brenda	05/16/82 Present	CL		X	$19,422	Secretarial support
Bort, Peter*	10/01/82 Present	Sol		X	$17,138	Summer work program
Higgins, Kevin*	10/01/82 Present	Sol		X	$17,138	Summer work program
Stoker, Douglas*	10/1/82 Present	PPM		X	$17,138	Summer work program

* Part-time and intermittent employees

Bureau: Geological Survey

FY 1984 YTD

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Cooper, Margaret GS-1350-13	10/1/82 Present	Bureau of Land Management		X	$41,914	Continued cooperation with BLM on geologic matters; library research for BLM projects.
Jennings, William L. GS-501-12	01/12/84 06/30/84	Environmental Protection Agency	X		$34,269	Provides administrative support to EPA Enforce Cost-Recovery Program.
Roen, Carolyn H. GS-301-9	12/01/83 Present	Agency for International Development	X		$21,606	Cross-training on Agency for International Development and Office of International Geology procedures.
Smith, Doyle G. GS-1370-14	01/15/84 05/14/84 (Probably will be extended for additional 120 days.)	Bureau of Indian Affairs	X		$50,909	To assist the BIA in setting up its Office of Data Systems in Washington, D.C., provided in Secretarial Order No. 3098, 10/24/83.
Poole, James C. GS-334-14	01/04/84 05/03/84 (Probably will be extended for additional 120 days.)	Bureau of Indian Affairs	X		$48,157	" "

Bureau: Geological Survey

FY 1984 YTD

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Terrazas, Robert GM-334-14	11/14/83 07/12/84	Bureau of Indian Affairs	X		$46,143	To assist BIA in setting up its Office of Data Systems in Washington, D.C., as provided for in Secretarial Order No. 3098, 10/24/83.
Silverman, Mark I. GS-334-14	11/14/83 07/12/84	Bureau of Indian Affairs	X		$52,285	" "
Eicher, Ralph N. GM-1520-15	11/14/83 07/12/84	Bureau of Indian Affairs	X		$60,747	" "
Barrows, Catherine A. GS-334-13	11/14/83 07/12/84	Bureau of Indian Affairs	X		$37,258	" "
Bregman, James S. GM-334-15		Bureau of Indian Affairs	X		$54,144	" "
Lang, Solomon M. GM-1315-15	03/26/84 07/24/84	Environmental Protection Agency			$62,280	Defining and presenting EPA ground-water guidelines.
Page, David A. GM-345-15	12/12/83 04/10/84	Bureau of Indian Affairs		X	$60,239	Developing resource programs that are mutually beneficial to both bureaus.

Bureau: Geological Survey

FY 1984 YTD

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Janke, Norma GS-345-12	09/23/83 01/01/84	DOI, Office of the Secy.	X		$7,232 (overtime cost only)	Served as Staff Assistant to the Executive Director of the Commission on Fair Market Value for Federal Coal Leasing.
Stratmann, John GM-260-13	01/09/84 03/09/84	DOI, Office of the Secy. (EEO Office)		X	$40,082	Assisted in the departmental audit/evaluation of bureaus.
*Holser, Alexander F. GM-1301-15	10/01/83 Present	DOI, Office of Assistant Secy.-Water & Science		X	$63,115	Provides technical assistance and support to Office of Assistant Secretary on marine matters.
*Pearson, Patricia M. GS-318-7	10/01/83 Present	" "		X	$19,422	Provides secretarial assistance to staff members, Office of Assistant Secretary.
*Wiesner, Lois C. GS-318-7	10/01/83 Present	" "		X	$22,277	" "

* Employees are officially assigned to positions located in the Office of the Director, Geological Survey, but perform services in the Office of the Assistant Secretary - Water and Science from which employees receive day-to-day supervision and direction. Administrative supervision is provided by the Director, Geological Survey.

Bureau: Fish and Wildlife Service

FY 1984 YTD

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Hulbert, Howard H.	12/11/83 08/05/84	Bureau of Indian Affairs	X		$59,539	Assist special task force in establishing automated data processing function/budget.
Wood, Joseph L.	12/05/83 12/04/84	Organization of American States	X		$48,467	Establish position management program.

Bureau: National Park Service

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Bradford, Mary R.	06/02/82 Present	Office of Congressional Affairs		X	$42,722	To assist with reviewing legislation.
Curtis, Joyce J.	11/24/74 Present	Office of the Secretary AS/FWP		X	$25,159	To assist in review of mail.
Gardner, George M.	05/29/83	OMB		X	$55,378	To assist management review program.
Hay, Susan D.	10/24/83 06/24/84	Dept. of Justice		X	$26,212	To provide administrative support.

Bureau: National Park Service

FY 1984 YTD

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Sudis, Theodore W.	12/09/82 Present	BIA	X		$67,800	To assist with Financial ADP project.
White, Dollie Y.	03/20/83	PIR - Library	X		$22,277	To work on Alaska Lands Review index.
Wilson, Rex L.	09/05/82 01/28/84	Office of Surface Mining	X		$58,164	To work on land reclamation project.
Bureau: Indian Affairs						
Reeser, Ralph	10/01/83 Present	House of Represent.		X	$54,600	Codification of 25 U.S.C. for the Law Revision Counsel
Paquin, Bonnie	10/01/83 Present	House of Represent.		X	$31,800	Codification of 25 U.S.C. for the Law Revision Counsel
Jollie, John	02/05/84 Present	DOD	X		$55,300	DOD involvement in Economic Initiative
Gonzales, Ralph	01/16/84 02/20/84	Pres. Comm.		X	$35,600	President's Commission on Reservation Economies

Bureau: Indian Affairs

FY 1984 YTD

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Zokan-Delos Reyes, Louise	01/03/84 Present	ANA		X	$45,400	Drafting ICWA agreement between BIA and HHS
Bureau: Office of Territorial and International Affairs						
Uchida, Nori	10/01/83 09/30/84	Minerals Management Service, DOI	X		$50,000	Provides Administrative support to Director of Minerals Management Service
Bureau: Office of the Solicitor						
Mauro, Louis	10/01/83 04/07/84	Bureau of Reclamation	X		$31,000	To update Federal Reclamation & Related Laws
(This detail was completed 4/7/84)						
Scott, John	10/01/83 Present	Bureau of Land Management		X	$34,000	To review the Land Acquisition and Condemnation Program

Bureau: Mines

FY 1984 YTD

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Cocke, William T., III General Engineer GS-801-13/5	12/26/83 06/25/84	Department of State	X		$40,972	Serving as Foreign Affairs Officer, Office of Ocean Marine Science, Department of State.
Enzer, Hermann Chief, Mineral Economist, ES-110-5	04/17/83 04/16/84	Department of State ADI		X	$66,235	Detailed at the request of ADI. Assignment involves economic analysis of fuel and nonfuel minerals projects in developing countries.
Marchant, Wayne M. Physical Scientist, GS-1301-14/3	01/16/84 05/14/84	Office of AS-WS		X	$45,570	Detailed to serve as science advisor in the Office of the Assistant Secretary - Water and Science.

Bureau: Office of the Secretary

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
*Bell, Teresa	10/01/83 10/29/83	White House		X	$22,956	Provide administrative support to the White House
*Tiller, John	08/21/83 Present	White House		X	$51,789	Provide scheduling support to the President

* Detail not officially documented

Bureau: Office of the Secretary

FY 1984 YTD

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Bach, Cristina	11/20/83 12/11/83	DOE		X	$29,374	Provide liaison for DC to the Cabinet Council
Yasueda, Kathryn	11/20/83 12/10/83	DOE		X	$20,256	Provide liaison for DC to the Cabinet Council
Hullett, Stanley	02/14/84 Present	DOE	X		$69,600	Advisor to Secretary of Energy
*Simmons, J.J.	02/23/84 Present	ICC		X	$69,600	Serve as Interim Commissioner
*Taylor, Edna	02/22/84 Present	ICC		X	$30,402	Provide secretarial support to the proposed Commissioner
Roach, Joseph	10/01/83 12/10/83	FWS		X	$24,508	Serve as Admin. Officer/ Management Analyst for FWS
*Vasilou, Rosalie	10/01/83 Present	FWS		X	$44,146	Provide interface between FWS and the A/S's office

* Detail not officially documented

Bureau: Office of the Secretary

FY 1984 YTD

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
*Lukach, Teresa	10/01/83 12/10/83	White House		X	$20,256	Provide administrative support to the White House relative to Interior's programs
*Hansen, Joanne	12/12/83 Present	White House		X	$20,956	Provide administrative support to the White House relative to Interior's programs

* Detail not officially documented

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Quinn, William	10/01/83 10/15/84	BIA		X	$29,374	Serve as Project Coordinator on Indian Recognition for the Bureau
*Redington, Mary	10/01/83 Present	White House			$24,366	To provide administrative support to the White House
*Zartaga, Mary	10/01/83 Present	White House			$27,904	To provide administrative support to the White House
Kay, Brenda	10/18/83 02/11/84	LBR	X		$30,402	Provide professional services to LBR programs

* Not documented in employee's OPF or any records

Bureau: Office of the Secretary

FY 1984 YTD

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Martin, Barbara	10/01/83 11/15/83	Arms Control Disarmament Control	X		$27,776	Provide administrative support to the Deputy Director
Lang, Susan	01/22/84 02/29/84	Commission on Fair Market Value Policy for Federal Coal Leasing	X		$18,851	Provide clerical support to the preparation of the Commission's report
Pearson, Brenda	01/11/84 04/10/84	Bureau of Reclamation		X	$25,656	Provide clerical support to the Commissioner's office
Chinn, Ralph E.	11/22/83 05/19/84	National Security Council		X	$23,629	To provide motor vehicle operator services
Doerksen, Harvey	11/28/83 Present*	CEQ		X	$49,842	To work on an environmental study project

*NTE 03-26-84. Detail will be extended.

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
McGuire, Charles	10/1/83 Present	OSM		X	$45,570	Working on surface mining projects

Bureau: Office of the Secretary

FY 1984 YTD

Name	Time Period	Detailed to:	Reimb.	Non-Reimb.	Est. Annual Salary Cost	Purpose
Brantley, Margaret R.	10/01/83 09/19/84	BLM		X	$20,564	PMS Training agreement between BLM and PCM signed 09/20/83
Johnson, Janet	10/03/83 04/15/84	Presidential Commission on Indian Economies	X		$15,220	To provide clerical assistance to the Commission
Moy, Judy A.	12/12/83 04/09/84	Presidential Commission on Indian Economies		X	$31,332	Provide professional assistance to the Presidential Commission
Qualters, Richard T.	04/08/84 08/05/84	Bureau of Indian Affairs		X	$42,177	Assist Treasury Task Force
Muskrat, Jerry F.	04/01/84 07/29/84	Exec. Ofc. of the President, PCIRE		X	$53,602	To provide legal expertise to the Commission re Indian economic development

Energy Conservation

Among the many responsibilities of the Divisions of Real and Personal Property Management is that of developing and implementing an energy conservation program pursuant to the National Energy Conservation Policy Act.

Question: What work in this regard to you expect to achieve during Fiscal Year 1985?

Answer: In fiscal year 1985, the energy conservation program activities at the bureau level will include the continuation of building energy surveys and retrofit programs. Surveys determine the steps needed to conserve energy and retrofitting completes those steps.

At the Department level, active participation in the Interagency Energy Coordinating "656" Committee will continue. With the Federal Ten-Year Buildings Plan expiring in FY 1985, work (that has already started) on what will follow the Plan is a high priority. The Departmental Energy Conservation Committee (DECC) will continue to promote energy awareness and act as a conduit for information exchange between the bureaus and Departmental Headquarters. Energy awards are also expected to be given in fiscal year 1985 to bureaus and/or individuals.

Question: What accomplishments in energy conservation has the Department made over the past five fiscal years?

Answer: Energy conservation measures such as lowering thermostats, promoting carpools and mass transit use and a general reduction in the use of electrical power and petroleum fuels allowed the Interior Department to reach the goals stated in the fiscal year 1979 Presidential memorandums on energy reduction. Also in fiscal year 1979 preliminary energy audits on buildings were accomplished and energy surveys of buildings were initiated.

Interior participated in the Department of Energy (DOE) sponsored Federal Photovoltaic Utilization Program and was awarded $2.9 million for projects that would help develop photovoltaic (energy from the sun) capabilities in the Federal sector. Interior has also worked on developing new technology through the Bureau of Mines and the National Park Services that has focused on the use of renewable resources for energy.

In fiscal year 1980 Interior participated in the Solar in Federal Buildings Program with $3.2 million in funding from DOE. Many of the projects started at that time are still in operation.

The Ten-Year Buildings Plan was written and submitted to DOE in fiscal year 1980 and approved in fiscal year 1981. Interior was the first agency to have their ten-year plan approved. The Ten-Year General Operations Plan was written in fiscal year 1981.

The Departmental Energy Conservation Committee was formed in fiscal year 1982 to formalize the already existing exchange of information and ideas between the bureaus and the Department. With reduced funding in the early 1980's Interior focused its energy conservation efforts towards employee awareness and education. Meetings of energy coordinators and employees helped keep people aware of the goal of energy conservation. Educational courses, like the Bureau of Indian Affairs Boiler Training Course, have resulted in meeting objectives for improved safety, efficiency, and reliability. Energy conservation is achieved through improved maintenance and proper burning calibration.

Participation in the Life Cycle Costing Workshops and the Energy in Architecture workshops sponsored through the American Insitute of Architects and DOE have helped educate employees.

Efforts by employees in the Fish and Wildlife Services resulted in Interior receiving preference power rates for electricity in Northern California. Two employees received monetary awards for their work. In addition, the Service has initiated a nationwide energy surveys contract to complete building energy surveys.

All of these steps have helped the Department to reach the goals outlined in Executive Order 12003 and other energy related mandates.

The most recent annual data showed an increase in energy consumption of 8% from FY 1982 to FY 1983. Our concern over this sharp rise led to a thorough analysis of the data compiled. A computer error of double counting caused a mistake. The program has been corrected and Interior's increase in energy consumption is 1% for the two years, not 8%. The Department of Energy is being notified to change the figures in their report to the President and Congress on Federal Energy Management Programs.

Organized Union Activity

You state on page 67 that organized union activity at the Department will continue to increase in fiscal year 1985.

Question: How many union and non-union employees currently work at the Department of the Interior?

Answer: The Union representation for the Department of the Interior for 1983 is 26,980 which is 41% of eligible employees in the Department. Eligible employees, 65,277, is determined by reducing the total employment, 74,482, by 9,205 which represents managers, supervisors and personnel staff who are not eligible for representation by a union.

Question: How do the current levels compare to the previous ten years' levels?

Answer: The previous ten years are as follows:

1973 - 23,500*
1974 - 24,220*
1975 - 26,325*
1976 - 25,130*
1977 - 24,900*
1978 - 24,340*
1979 - 25,530
1980 - 24,980
1981 - 25,550
1982 - not available
1983 - 26,980

*Years 1973 thru 1978 included 3,780 employees in organizations (Bonneville, Alaska and Southwestern Power Administration and Mine Enforcement and Safety Administration) now in other Departments.

Question: Why do you feel organized union activity will continue to increase at the Department while at the same time it is decreasing in the public sector?

Answer: The Department of the Interior did not experience rapid union representation activity during these years except 1979, while other agencies were being organized at a rapid rate. The other agencies have apparently been organized and the unions are now concentrating on Interior and other like agencies for their organizing activities. While many other agencies had union representational decreases from 1981 to 1983, Interior had an increase of about 1,400 or approximately 5%. Interior's union representational growth potential is approximately 38,000 employees or 59% which the different unions are actively seeking.

Personnel Management Programs - Solicitor and Inspector General

Question: For what specific reasons does the Division of Personnel Services not administer the personnel management program for the Office of the Solicitor and the Office of the Inspector General as it does for the Office of the Secretary and other Departmental offices? Who does administer the personnel management program for the Inspector General and Solicitor's Offices? Doesn't having separate administration in fact add to the costs of this activity?

Answer: The information follows:

Solicitor

The Office of the Solicitor is an organizational entity both separate and unique from the Office of the Secretary, with its own operating budget, and a field structure that is different from any other in the Department; these facts, as well as the necessity for both policy and operating reasons for the Solicitor to have a totally responsive in-house administrative capability, led to the separation of functions. The uniqueness of the Solicitor's Office means that it would have to have an internal administrative staff under any circumstances, as does every comparable organization. By giving this staff basic operating authorities, the Solicitor has gained the efficiency and responsiveness that comes from having a staff dedicated to the service of a single entity.

Because the structure and functions of the Solicitor would mandate an in-house administrative staff under any circumstances, the small increment necessary to give the staff independent operating authority has resulted in several management efficiencies. The principal benefit of these efficiencies is that personnel actions (including appointments, promotions, reassignments, and geographic relocations) are accomplished quickly, and according to priorities set by the Office of the Solicitor, the organization's effectiveness and ability to respond to client needs increases. Other factors supporting this structure are:

The unique employment needs of the Solicitor; i.e., the Office is the Department's principal employer of attorneys and legal support staff, and these constitute the bulk of all employment for the Office;

The nation-wide organization of the Office, which is established to meet the needs of all the bureaus, but which coincides with none of them, precludes receiving on-site administrative support from any bureau including the Office of the Secretary; the in-house network of administrative offices employed in the Solicitor's Regional Offices would remain intact under any structure;

A separate budget for the Office, the largest part of which is devoted to salaries and related expenses, and the accompanying need for direct control by the Solicitor of the expenditure of these funds; and

The need for administrative autonomy arising from the position of the Solicitor as a high ranking official of the Department.

During periods when the Office has not operated with its own personnel office, the Office has experienced delays, often very lengthy ones, in the classification and staffing of its positions. This has hampered the ability of the Solicitor's Office to respond as quickly and effectively as desired to changing personnel situations, and thus affected the ability of the Solicitor to provide the Department with required legal services.

If the timeliness and quality of legal services provided to the clients is disrupted, a backlog of legal matters could result, thereby increasing the liability of the Department and reducing the possibility of practicing preventative law.

Inspector General

The Office of Inspector General (OIG) operates its own personnel management program under the authority of PL 95-452, the Inspector General Act of 1978. This separate operation is to give OIG independence from those offices or functions that are audited or investigated by OIG.

At the time the Office of Inspector General assumed responsibility for its personnel management program, the Office of the Secretary, Division of Personnel Services stated that they devoted six workyears to OIG's personnel support at a cost to OIG of about $188,000 for FY 1983. However, OIG determined that it could carry out the function with its existing staff plus four workyears at an annual savings of about $85,000. The increase in OIG's overhead was very small since they already maintained personnel regulations for use by their audit and investigative staffs and files for use in assisting the Division of Personnel Services.

Administrative Services

Question: For the record, please provide a cost breakdown by Division, for all functions and activities under Administrative Services. Include in this breakdown the amounts of each such activity funded by the annual Office of the Secretary appropriation and by the Working Capital Fund.

Answer: The breakdown of the FY 1985 Budget Request by division and fund source follows:

Administrative Services
FY 1985 Budget
($000)

Division	Funding Source	FTE-T	$ Amount
Director's Office	Direct	7	352
Enforcement and Security	Direct	11	477
	WCF	2	570
General Services	Direct	36	1,162
	WCF	24	727
Printing and Publications	WCF 1/	18	586
	WCF 2/	37	2,244
Space Management	WCF	12	414
Personnel Services	Direct	27	1,009
	WCF	6	209
Fiscal Services	Direct	15	543
	WCF	28	916
Departmental Ethics Staff	Direct	6	282
Special Programs	Direct	7	319
Total	Direct	109	$4,144
	WCF	127	$5,666

1/ Division of Printing and Publication

2/ Departmental Print Plant and Copy Center

Information Resources Management

Question: Also, please provide similar information (by Division) for each activity under Information Resources Management.

Answer: The breakdown of the FY 1985 Budget Request by division is as follows:

Information Resources Management
FY 1985 Budget
($000)

Division	FTE-T	Amount
Director's Office	5	$281
Division of Program Development	6	295
Division of Program Assessment	10	559
Division of Telecommunications	9	396
Division of Support Services	4	270
Division of Project Services	9	443
Division of Directives and Regulatory Management	8	360
Administrative Staff	4	101
Division of Information and Library Services	55	2,291
Total	110	$4,996

Financial Management Office Workload

Under Financial Management, you have requested an increase of $95,000 and two full-time equivalent positions over the fiscal year 1985 base to provide for salary and related expenses of two additional accountants.

Question: Has the workload of the Financial Management office increased so much over the past year that two new positions are truly needed? In what area or areas has the workload so increased as to require two new positions?

Answer: The Office of Financial Management was established near the end of fiscal year 1982. At that time, it was provided minimal staffing. The Office's workload has increased significantly over the past year. The primary factors contributing to the workload increase are (a) the implementation of the Federal Managers' Financial Integrity Act (FMFIA) and OMB Circular A-123, both relating to internal controls, (b) the Debt Collection Act of 1982, (c) other OMB Reform '88 activities handled by this Office (cash management, accounting systems, payroll systems and administrative payment centers), and (d) the Prompt Payment Act. Each of these items is discussed in the order presented previously.

The Department had to establish a process of review internal controls for programs and accounting systems as a result of the FMFIA and OMB Circular A-123. The Act requires the submission of separate statements to the President and the Congress each December relating to both program internal controls and financial system controls. The Office of Financial Management has been assigned the lead responsibility for the Department in this area. A copy of the first annual report (fiscal year 1983) relating to the Act has been submitted to the Committee. As a result of the high priority given to this area, the efforts of the Office of Financial Management have been reviewed by both OMB and the General Accounting Office. Each group commented on inadequate staffing to establish and monitor a program of this size for the entire Department.

The second factor relates to the Debt Collection Act of 1982. The Act provides some tools previously unavailable to Government agencies and requires the Department to aggressively attempt to collect its debts. The Office of Financial Management needs additional staff to conduct analyses and to provide related assistance to the bureaus in problem areas relating to debt collection, such as contracting for collection services, establishing credit reporting, and developing collection procedures.

The third factor, Reform '88, is a blanket term which OMB is using in connection with management improvement initiatives expected to be completed by fiscal year 1988. The efforts to improve or reduce the number of accounting systems are directly related to the internal control process. The second part of DOI's report under the FMFIA (enclosed) relates to the Department's accounting systems. As shown in the 1983 report, nine of the eleven Departmental accounting systems have deficiencies. To date, based upon staffing limitations, the Office of Financial Management has only been able to provide limited assistance in solving these financial problems. These accounting system problems have been recognized as a major management deficiency in the Department. These deficiencies have existed for some time and have contributed to the lack of internal control in some Departmental operations. However, this is the first time the deficiencies have been systematically catalogued and potential solutions developed. As a result of the plans established under the internal control process, much work needs to be done in the financial systems area. In addition to improvements in accounting systems, during the fiscal year 1985 passback OMB requested that DOI attempt to consolidate accounting systems and administrative payment centers. The leadership for both improving and consolidating accounting systems and payment centers must come from the Office of Financial Management. In terms of another Reform '88 initiative, cash management, the Office must provide Departmental guidance to all bureaus, particularly for the use of wire transfers for receipts and disbursements. Wire transfers already scheduled for receipts and disbursements are expected to save the Treasury over $4 million per year. However, more needs to be done, such as exploring the use of lockbox techniques and concentration banking. This Office needs to provide the Departmental leadership in these areas.

In the area of prompt payment, the Office has had to promulgate policy guidelines on the implementation of the Prompt Payment Act. However, it has not had adequate staffing to review bureau activities to ensure that payments are being made in accordance with the guidelines.

A final factor relating to the need for the two additional positions is that the Office receives various types of reports from bureaus which should be analyzed to determine areas where expenditures might be reduced (for instance travel). However, the limited staffing in the Office has not allowed time for this analysis to be performed. We would utilize part of the time of the two new positions to further analyze information submitted to the Office.

The cumulative effect of the increased emphasis on internal controls, consolidation of payment centers, improvement in accounting systems, cash management, debt collection, and payroll systems is that the Office can no longer keep up with its assigned responsibilities with its current staffing.

Question: Will this workload not be completed if the two positions are not provided? Are there individuals in other bureaus capable of performing any increased, necessary work at Financial Management on a part-time basis rather than hire two new individuals on a full-time basis? Has this part-time approach been explored? Is it possible as an alternative?

Answer: The workload will not be completed if the two positions are not provided. Basic requirements under legislation will be met minimally, but improvements in areas such as the consolidation of accounting systems, administrative payments, improvements in accounting systems, analysis of data, and cash management, which have been identified as being necessary, simply will not be done. Thus, the Department's accounting systems which have been criticized extensively by the General Accounting Office and others, will continue to function. Cash management savings will not be made. Other areas will be similarly affected. We have considered and rejected the use of bureau personnel on a part-time basis. The Office of Financial Management sometimes borrows staff from bureaus for short periods in order to meet current peak loads. However, in order to meet the increased responsibilities which have been assigned to it in the past year, the Office would have to borrow the best people in each bureau. And, to be effective, these individuals would have to be assigned to the Department on a full-time basis for an extended period of time (in order to have the required impact in the areas that we have discussed). For instance, accounting systems projects normally take over a year to make substantial improvements. One of the reasons for the current bureau accounting systems problems in limited staffing and skills availability. Thus, if the Office of Financial Management were to utilize the services of individuals from the bureaus, bureau finanial operations would deteriorate beyond their current conditions. The two good accounting systems would probably begin to deteriorate; those bureaus having problems would have more problems. Thus, it is not a question as to whether bureaus could provide individuals capable of performing the work (since they do have capable people). Our concern is what would happen to the bureau financial operations if those few very capable individuals were gone for an extended period of time. Hence, this alternative was not considered feasible.

Hearings and Appeals Caseload

For the Office of Hearings and Appeals, you have requested an FY 1985 budget of $6,304,000 with 123 FTE's. This is a reduction from the 1985 base level of $309,000 and 6 full-time equivalent positions. While you indicate on page 94 of the justification that a 14% reduction in cases pending makes this savings possible, your narrative of each of the activities in the Hearings Division presents no specific evidence of this decreased caseload.

Question: Please detail the present and expected caseloads which would justify this proposed reduction.

Answer: The proposed reduction is possible because the Office of Hearings and Appeals estimates that the number of pending cases will remain at about the same level as at the end of FY 1983 and that these cases can be processed more efficiently and economically. The accompanying table indicates a reduction in the number of cases pending has decreased from 4,662 at the beginning of FY 1982 to 3,638 at the beginning of FY 1984 for a reduction of 1,024 cases pending. This trend, plus efficiencies realized in the handling of these cases throughout the office should enable the office to fully address its responsibilities in this area within resource levels requested for FY 1985.

OFFICE OF HEARINGS AND APPEALS CASELOADS FOR FY 80, 81, 82, & 83

	Pending Begin FY 80	Received During FY 80	Decided During FY 80	Pending End FY 80 Begin FY 81	Received During FY 81	Decided During FY 81	Pending End FY 81 Begin FY 82	Received During FY 82	Decided During FY 82	Pending End FY 82 Begin FY 83	Received During FY 83	Decided During FY 83	Pending End FY 83 Begin FY 84
IBLA	528	1,017	863	662	1,216	1,039	839	1,434 1/	1,436	835	1,137 2/	1,185	787
IBSMA	9	104	82	31	95	90	36	41	34	43	3	46 2/	0
IBCA	79	122	103	98	143	131	110	137	140	107	160	152	115
IBIA	18	63	49	32	58	55	35	73	57	51	66	61	56
ANCAB	69	61	44	86	48	39	95	28	123 1/	0	0	0	0
Teton	15	38	48	5	22	25	2	2	4	0	0	0	0
Relocation	28	27	21	34	23	22	35	10	20	25	10	17	18
Personnel Grievances	29	56	47	38	45	42	41	64	57	48	61	67	42
Director's Decisions	1	15	9	7	64	18	53	18	55	16	16	25	7
SUBTOTAL	776	1,503	1,286	993	1,714	1,461	1,246	1,807	1,928	1,125	1,453	1,553	1,025
HEARINGS DIVISION													
Surface Mining	310	1,390	945	755	897	1,099	553	337	523	367	176	206	337
Public Lands	302	203	244	261	286	200	347	132	273	206	149	174	181
End Spec & Misc	54	72	66	60	40	64	36	65	61	40	52	48	44
Indian Probate	1,879	2,166	2,202	1,843	2,571	1,934	2,480	2,961	2,968	2,473	2,845	3,287	2,051
SUBTOTAL	2,545	3,831	3,457	2,919	3,794	3,297	3,416	3,495	3,825	3,086	3,222	3,695	2,613
GRAND TOTAL	3,321	5,334	4,743	3,912	5,508	4,758	4,662	5,302	5,753	4,211	4,675	5,248	3,638

1/ ANCAB abolished by Secretarial Order 3078, June 30, 1982. 89 cases transferred to IBLA.

2/ IBSMA abolished by Secretarial Order 3092, April 25, 1983. 29 cases transferred to IBLA.

Alaska Subsistence

You have proposed to transfer administration of the annual Alaska Subsistance payment of $1,000,000 from the Office of the Secretary to the Fish and Wildlife Service, yet you do not justify this transfer in either the OS or FWS justification documents.

Question: For what specific reasons should we transfer this activity? Is this transfer truly necessary?

Answer: The program responsibility for the Alaska Subsistence activity has been with the Fish and Wildlife Service since funds were first appropriated for this purpose in FY 1982. This proposal to transfer the function is identified under the Office of the Secretary justification document on page SEC-20 as an adjustment to the 1985 Base. This change decreased the Office of the Secretary base amount and increased the Fish and Wildlife Service base by $1 million.

Under the existing procedure, funds appropriated to the Office of the Secretary each year are allocated to the Fish and Wildlife Service for their use in administering this program.

As part of the FY 1985 Budget, it is proposed to have funds for this purpose directly appropriated to the Fish and Wildlife Service, thereby eliminating the need to process fund transfers each year from the Office of the Secretary to the Fish and Wildlife Service. This will simplify the process, and more properly display total cost of Fish and Wildlife Service Alaska program initiatives under their budget request.

While this transfer is not truly necessary, the Department feels that this change will more properly display use of appropriations at the appropriate program level.

Administrative Provisions For Purchase Of Aircraft

You have requested a change in the appropriation language for fiscal year 1985 which would allow for the purchase of ten additional aircraft, five more than the five new aircraft approved by the Congress in fiscal year 1984.

Question: Why do you need ten new aircraft? Where would these aircraft be utilized? Would the ten aircraft be fixed-wing or helicopters?

Answer: Of the ten aircraft requested to be authorized in the Administrative Provisions, six are new additional aircraft in support of U.S. Fish and Wildlife Service added responsibilities due to the Alaska Lands Program and four are replacement aircraft for the existing fleet. All aircraft requested will be fixed-wing.

The six additional aircraft will include the following types and locations:

Cessna 185	Yukon Flats Refuge	Fairbanks
Cessna 185	Koyukuk Refuge	Galena
PA-18 Super Cub	Nowitna Refuge	Galena
PA-18 Super Cub	Selawik Refuge	Kotzebu
PA-18 Super Cub	Kanuti Refuge	Fairbanks
Cessna 206	Tetlin Refuge	Tok

These aircraft will all be used for the varied activities required to support a wildlife refuge in essentially roadless areas. These activities include wildlife and habitat surveys, user surveys, transportation of persons and equipment, research, and enforcement of regulations. Aircraft use varies with refuge size, location, resource base and complexity, but will average about 250 hours/year. The funding for these six additional aircraft will be provided through FWS program funds; however, the authority to procure the aircraft is requested under the Office of the Secretary's Administrative Provisions.

All Departmental aircraft in Alaska are operated through the Office of Aircraft Services' (OAS) Working Capital Fund (WCF) and, therefore, it is OAS' responsibility to continue to provide the bureau-required centralized services efficiently and economically and to perpetuate such service. OAS currently (March, 1984) operates 36 aircraft in Alaska in support of National Park Service, Fish and Wildlife Service, Bureau of Land Management, Minerals Management Service, and others; as such, these aircraft are used for fire patrol, search and rescue, law enforcement, medivac, visitor monitoring, whale surveys, and many other Department of the Interior (DOI) programs including those mentioned above. Through the normal course of business, aircraft (such as typewriters, autos, and other equipment) wear out and need to be replaced.

Authority for the remaining four aircraft, of the original ten, is for replacement aircraft. It is DOI's desire to receive authority to replace old (15 to 20 years), uneconomical aircraft from available resources within the WCF. Final determination as to the most cost-effective method of providing this service will be made in accordance with Office of Management and Budget Circular A-76 or other appropriate cost comparison methods.

Question: Why are you requesting that a maximum of only four of the ten be from surplus rather than all ten as we have done in the past?

Answer: The number of aircraft and the source, either through surplus or new acquisition, has varied from year to year. Authority is requested to procure four replacement aircraft from surplus. These are not additional or new aircraft, but rather serve to upgrade the existing fleet through replacement with more economical and efficient aircraft which may be found in surplus. This authority is requested as a contingency in the event that aircraft become available through surplus.

The remaining six aircraft requested will be new additional aircraft to assist the FWS in addressing their program responsibilities in Alaska. Aircraft suitable for this program initiative by FWS in Alaska are not available through the surplus process and must be purchased as new aircraft as has been done in previous years.

Proposed General Provisions

Question: For the record, please provide a detailed capability statement for each of the general provisions which you are requesting to delete from the fiscal year 1985 Interior and Related Agencies Appropriations Bill.

Answer: The information follows:

FY 1985 CAPABILITY STATEMENT

Agency/Bureau: Department of the Interior
Office of the Secretary

Appropriation: General Provisions
Proposed Amendment; Current Program; Feasibility; Capability; See Below:

Amount Budgeted FY 1985: -0-

Outlay Effect: -0-

Title I

Sec. 104 - The Department proposes to delete the provision of this section which limits the Secretary's flexibility to pay more than $15,000 for consulting services to any individual, or company. The limitation unduly constrains the Secretary's authority to seek expert assistance in areas important to the management of DOI programs.

Sec. 107, 108, 109 and 113 - General Comments

- The Department proposes to delete the restrictions on OCS leasing contained in these sections. Section 18 of the Outer Continental Shelf Lands Act Amendments of 1978 requires the Secretary of the Interior to prepare a 5-year oil and gas leasing program which provides for an equitable sharing of developmental benefits and environmental risks among the various OCS regions. In preparing the program, the Secretary is required to consider suggestions from other Federal agencies and from the Governor of any State which may be affected by the program. The current 5-year program, which was approved by the Secretary of the Interior in July 1982, provides for this equitable sharing and was found to be in full compliance with the OCS Lands Act by the U.S. Circuit Court of Appeals for the District of Columbia in July 1983. For a specific proposed lease sale, the Governor of any affected State may submit recommendations to the Secretary regarding the size, timing or location of the lease sale. The Secretary must accept the recommendations of the Governor if they provide for a reasonable balance between the national interest and the well-being of the citizens of the affected State. Leasing restrictions in Appropriations Acts prevent the Secretary of the Interior from making the necessary balancing decisions between the various OCS regions. They also short-circuit the extensive planning process that exists to gather environmental and geologic information, consult with Governors of affected States, and make decisions which balance the environmental risks with the potential for oil and gas development.

The Secretary of the Interior has recently announced changes to the OCS leasing process designed to ensure that all who have concerns will have an improved opportunity to be heard. In particular, a concerted effort will be made to resolve State, environmental and military conflicts earlier in the leasing process so that the Nation can proceed with a program of appropriate exploration and reasonable development of the OCS oil and gas resources.

Sec. 107 - The Department proposes to delete this section which restricts the leasing of certain areas of the Central and Northern California OCS planning area. See general discussion above. In the case of the Central and Northern California sale scheduled for September 1985, the Department will attempt to resolve the Congressional concerns embodied in Section 107 at the Area Identification Milestone which will probably occur in May or June 1984.

Sec. 108 - The Department proposes to delete this section which restricts the leasing of certain areas of the North Atlantic OCS planning area. These areas are removed from leasing consideration for the remainder of the 5-year program because Section 108 precludes their inclusion in preleasing activities. Preleasing activities for the February 1986 North Atlantic lease offering will begin in FY 1984 and will therefore be restricted by the FY 1984 language. The areas delineated in Section 108 could not subsequently be added to the area being considered for leasing and will therefore not be part of the February 1986 offering.

Sec. 109 - The Department proposes to delete this section which restricts the leasing of certain areas in the Eastern Gulf of Mexico planning area. See general discussion above. In addition, the next scheduled offering of this planning area does not occur until November 1985; therefore the restrictions in this section would not be applicable in FY 1985.

Sec. 112 - The Department proposes to delete this section which imposes a moratorium on use of funds for sale or lease of coal on public lands until Commission on Fair Market Value Policy for Federal Coal Leasing has submitted their report to Congress and 90 days have elapsed. The time limit specified for submission of the report will expire during FY 1984.

Sec. 113 - The Department proposes to delete this section which restricts the leasing of certain areas in the Southern California planning area. See general discussion. In addition, the next scheduled offering of this planning area does not occur until January 1986; therefore the restrictions in this section would not be applicable in FY 1985.

Sec. 114 - The Department proposes to delete this section which provides that funds appropriated to or expended by the Teton Disaster Relief Organization are available for projects funded and authorized under the Land and Water Conservation Fund Grant Program. This is permanent legislation and does not need to be restated in FY 1985.

Sec. 115 - The Department proposed to delete this section which requires that cross sections, maps or plans of land to be affected by an application for a surface mining and reclamation permit shall be prepared by or under the direction of a qualified registered professional engineer or geologist, or qualified registered professional land surveyor in any State which authorized land surveyors to prepare and certify such maps or plans. This is permanent legislation and does not need to be restated in FY 1985.

Title III

Sec. 301 - The Department proposes to delete this section which limits expenditures for procurement contracts for consulting service, pursuant to 5 U.S.C. 3109, to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law. Since such contracts are a matter of public record and available under the Freedom of Information Act, this limitation is unnecessary.

Sec. 303 - The Department proposes to delete this section which prohibits use of funds for noncompetitive oil and gas leasing on public lands of the Shawnee National Forest in Illinois. Land within the forest is currently being mined for coal and other minerals. The exclusions of oil and gas from continued leasing, despite the fact that oil and gas activity is taking place just north of the forest boundary, is inconsistent with the treatment of similar lands and unduly restricts the development of Federal oil and gas resources.

Sec. 308 - The Department proposes to revise the prohibitions on mineral leasing contained in this section in order to provide more consistent treatment for the various categories of wilderness study areas and to reflect the closing of designated wilderness areas to mineral leasing as of December 31, 1983, under Section 4(d)(3) of the Wilderness Act (16 U.S.C. 1113 (d)(3).

The first change would treat Bureau of Land Management lands the same as Forest Service lands, in that areas which are released from wilderness study status by legislative action would be released from Section 308 leasing prohibitions.

The final set of changes would treat administratively designated study areas immediately adjacent to producing oil and gas fields, or to prospectively valuable areas, the same as Congressionally designated study areas; that is, the subsurface could be leased in order to protect Federal oil and gas resources. In addition, a somewhat stricter standard would be applied to wilderness areas in that actual drainage of the oil or gas resources through wells on adjacent lands would have to occur before the Federal subsurface could be leased. This provision allows the Secretary to exercise his responsibility to protect the Nation's resources. The final sentence of the FY 1984 language has been rewritten as a proviso applying to both wilderness areas and wilderness study areas but retaining the current standard that prohibits surface occupancy and allows "slant drilling" from adjacent, non-wilderness areas.

Sec. 310 - The Department proposes to delete this section which prohibits assessments against any program, budget activity, subactivity, or project funded in the Appropriations Act. The provision unduly limits the Department's capability to effectively manage its programs.

Sec. 311 - The Department proposes to delete this section which provides that employment funded by this Act shall not be subject to any personnel ceiling or other personnel restriction for permanent or other than permanent employment except as provided by law. This section results in an undue restriction on executive prerogatives required for efficient governmental management.

Sec. 312 - The Department proposes to delete this section which precludes use of funds provided for land acquisition from being used to acquire lands for more than the approved appraised value. The constitutionality of this section is questionable and since we will be complying with the FY 1984 amendments to the reprogramming procedures which include a similar restriction, the legislative provision is unnecessary.

Sec. 314 - The Department proposes to delete this section in that the language places additional restrictions on disposal of Federal land by the Department. The Department already adheres to GSA regulations on disposal of property. Any additional restrictions would unduly impinge upon the Department's ability to dispose of Federal lands where appropriate.

Sec. 315 - The Department proposes to delete this section which limits payments to the General Services Administration (GSA) for rental of space and services to a rate which is not in excess of 14 per centrum of the rate per square foot established in FY 1982. In response to Congressional concerns GSA has reformulated their rental rates. Therefore, the Administration is recommending deletion of this section in all appropriation bills.

Sec. 317 - The Department proposes to delete this section having to do with the exchange of lands at Koloka-Honoko Lau National Historic Park as it is permanent legislation and does not have to be repeated in FY 1985.

Sec. 318 - The Department proposes to delete this section authorizing the conveyance of certain lands to Mitchell School District in Scotts Bluff County, Nebraska, as it is a one-time transaction and does not have to be repeated in FY 1985.

Sec. 319 - The Department proposes to delete this section which amends P.L. 96-315 to authorize issuance of permits to certain residents of Currituck, North Carolina, as it is permanent legislation and does not have to be repeated in FY 1985.

The Department proposes to delete the General Provision added by P.L. 98-181, which limits use of Department of the Interior and Forest Service FY 1984 funds to contract for services that require use of privately owned aircraft for the carriage of cargo or freight to those aircraft that are certified as airworthy by the Administrator of the Federal Aviation Administration unless the Secretary of the contracting department determines that such aircraft are not reasonably available to conduct such services.

As the provision places the restriction on use of FY 1984 funds, it need not be repeated in FY 1985. Also, only one aircraft currently under contract to the Department is affected by this provision. The contract involves multiple programs in the Bureau of Land Management, Fish and Wildlife Service, Bureau of Indian Affairs and National Park Service. The aircraft is the only type available for the diverse requirements needed to fulfill bureau program objectives. The programs include fire suppression, cadastral survey, other survey programs, and movement of fuel, supplies, building material and equipment.

Since several bureaus utilize the same aircraft, it allows for better efficiency and utilization of the aircraft, thus costing less to operate. Also, utilization of different aircraft would significantly increase the cost without improving service to the using bureau.

BUREAU OF MINES

STATEMENT OF ROBERT C. HORTON, DIRECTOR

ACCOMPANIED BY:
- GORDON M. MINER, DEPUTY DIRECTOR
- RICHARD J. LAULOR, CHIEF, DIVISION OF BUDGET
- KRISTINE M. MARCY, DEPUTY DIRECTOR, OFFICE OF BUDGET, OFFICE OF THE SECRETARY, DEPARTMENT OF THE INTERIOR

PREPARED STATEMENT

Senator MCCLURE. We will now turn to the Bureau of Mines. The Bureau of Mines' fiscal year 1985 request is $118,134,000, a decrease of $18,991,000, 14 percent from the 1984 level of $137,125,000.

Mr. Horton, it is a pleasure to welcome you again before this committee. Your written statement will be made a part of the record in full at this point.

[The statement follows:]

Statement of Robert C. Horton

We are pleased to have the opportunity to discuss the Bureau of Mines' budget request of $118,134,000 for fiscal year 1985. The budget request for the Bureau's main operating appropriation, Mines and Minerals, is $117,634,000. An additional $500,000 is our estimate of the funds that will be contributed by private companies, State and local governments to pay for their share of cooperative projects. Within the Mines and Minerals appropriation, we are requesting $68,936,000 for Minerals Research, $29,299,000 for Minerals Information and Analysis, and $21,066,000 for General Administration. We propose to defer $1,667,000 previously appropriated for Construction and Rehabilitation of a new facility in Bruceton, Pennsylvania from fiscal year 1984 to fiscal year 1985, and use these funds to reduce the need for new fiscal year 1985 budget authority. These sums include that deferral.

The proposed reductions in our fiscal year 1985 budget request consist of $5,500,000 for Health and Safety Technology, $8,860,000 for Conservation and Development, and $9,350,000 for Mineral Institutes.

The Bureau's strategic and critical minerals activities remain a high priority, with research that is essential to the Nation's economy and defense. Those activities are consistent with the President's National Materials and Minerals Program Plan and Report to Congress, April 1982. In fiscal year 1984 Bureau programs on strategic and critical minerals account for $27,300,000 and this same level is proposed for fiscal year 1985. Most is for research to advance technology for mining and processing low-grade domestic mineral deposits and for recycling scrap and waste materials. The program also includes research for developing longer lasting materials that are made from strategic and critical minerals. In close cooperation with the Minerals Information and Mineral Data Analysis activities, research provides the characteristics and processing options that are necessary to define newly discovered strategic and critical mineral occurrences, such as those of Alaska.

Mr. Chairman, I would like to point out some of the major features of our fiscal year 1985 budget request and mention a few of our accomplishments in the past year.

Minerals Research Programs

Our fiscal year 1985 request for Minerals Research programs includes $32,115,000 for Health and Safety Technology, $5,899,000 for Conservation and Development, and $30,922,000 for Minerals and Materials Research.

The proposed budget for Health and Safety Technology will support continued research on a broad range of fundamental safety and health problems in coal, metal, and nonmetal mines. This area of research is directed toward long term technology that will reduce the incidence of occupational illnesses and mine accidents among miners and others in the mineral processing industry. Funds added to the fiscal year 1984 budget have been used to initiate additional contract work in respirable dust, ground control in thick seam mines, and human factors research in the industrial hazards area. Pending completion of these contracts, which will continue through fiscal year 1985, there is no need for additional funds. Therefore, the fiscal year 1985 budget request has been reduced by $5,500,000, an amount equal to what is now contracted. The $20,342,000 allocated to these three areas, which represents 63 percent of the total Health and Safety Technology funds, will support an adequate ongoing program.

The fiscal year 1985 request for Conservation and Development will allow continued research on improving metal and nonmetal mining technology and reducing the adverse environmental effects associated with mining and mineral processing activities. Emphasis will be placed on improving techniques for mining domestic low-grade deposits of strategic and critical minerals. Operations at the Mine Equipment Test Facility will be phased out as tests of equipment developed under Department of Energy contracts in prior years are completed. Future efforts of this type are more properly the responsibility of the private sector. Funds added in fiscal year 1984 for a controlled burnout demonstration for coal mine and waste bank fires are being used for that purpose and will be adequate to complete the project. The Bureau transferred $1,000,000 to the Bureau of Land Management in fiscal year 1983 for fire suppression work. These funds are to be paid back from a BLM proposed fiscal year 1984 supplemental appropriation and will not be required as part of this fiscal year 1985 budget.

The proposed budget for Minerals and Materials Research will support continued research in extractive metallurgy, materials, and recycling technologies. Research is directed toward helping to ensure an adequate domestic supply of strategic, critical, and other essential minerals by advancing basic minerals science and engineering, providing technologies to extract needed mineral values from domestic deposits, providing alternatives to reduce or replace scarce imported minerals in applications where their properties are now required, and advancing the capability to recycle mineral values from wastes and scrap so as to provide a greater portion of the Nation's mineral needs from those sources. No programmatic increases or decreases are proposed for this program.

Minerals Information and Analysis Programs

We are requesting $29,299,000 for Minerals Information and Analysis programs, $11,075,000 for Minerals Information and $18,224,000 for Mineral Data Analysis. There are no programmatic increases or decreases proposed for these programs.

The budget request for Minerals Information provides for the continued collection and dissemination of data on production, consumption, and foreign trade for 100 mineral commodities worldwide. This information is needed to support public and private decisionmaking concerning supplies of essential minerals; to support private sector investment decisions; and to support the development of public policy affecting minerals.

The proposed budget for Mineral Data Analysis supports analysis of problems affecting the Nation's mineral supplies, the development and analysis of policy alternatives for addressing those problems, and the continued assessment of the mineral potential of Federal lands to assure that decisions regarding their future use are made in light of their strategic, critical, energy, and other mineral values. The request includes funds to conduct mineral assessments primarily on lands managed by the Bureau of Land Management.

General Administration

The proposed budget of $21,066,000 for General Administration provides executive direction and management services for the Bureau of Mines. This activity includes the Office of the Director and staff, and administrative services such as automatic data processing, finance, personnel, procurement, property and general services, and publication. The budget reflects a decision to disestablish the Bureau's printing plant in Pittsburgh and a personnel reduction resulting from letting contracts for some ADP functions.

Mineral Institutes

No fiscal year 1985 funds are being requested for the Mineral Institute program. Funds appropriated for this purpose in fiscal year 1984 will provide for base grants to the 31 Mineral Institutes through the 1984-5 academic year, and for research grants to the 5 Generic Minerals Technology Centers through fiscal year 1986. The authorization for this program expires at the end of fiscal year 1984. The concept of this program was to provide seed money to establish or strengthen quality graduate programs in the mineral sciences and engineering. The program has succeeded as evidenced by the schools' attracting funds from state governments, other Federal agencies, and private industry. A direct Federal role through continued funding for the mineral institutes is, therefore, no longer appropriate.

MAJOR WORK COMPLETED DURING 1983

Among the most significant accomplishments of the Bureau since we last appeared before you are:

Health and Safety Technology

o Bureau research has identified major improvements to existing systems for controlling respirable coal and silica dust in continuous miner sections which reduce a machine operator's dust level exposure by 45 percent.

o The Bureau has combined a successful bolt bender and a longer-than-seam-height drill for use in low coal seams in two different prototype roof bolters. The devices let the operator remain under supported roof and the machine's protective canopy while installing permanent roof supports, eliminating the need for entering a potentially dangerous area.

o In order to test and evaluate the fundamental reinforcement mechanism and performance of roof bolting systems in a typical coal mine opening, a laboratory system was devised to enable Bureau researchers to verify the analytical results from computer simulation and the field observations from underground tests of various bolting plans so that a comprehensive technical basis for coal mine roof control design can be established.

Conservation and Development

o Bureau research has resulted in a technique which utilizes natural fractured rock zones for developing wells to dewater coal-bearing strata in advance of mining instead of removing the water after it enters the mine. Tests of this system in an operating mine showed that the efficiency of pumping was improved by a factor of ten or more compared to those of conventional wells.

Minerals and Materials Research

o Bureau researchers conceived and developed a technique to dewater slimes that are generated during phosphate ore processing. Using the technique, nine-tenths of the water can be removed in minutes, where previously decades were required. The process has also been successfully demonstrated in treating slimes from coal washing, gold and copper ore beneficiation, and silica sand production. Adoption of this technology will solve a serious environmental problem, conserve water, and enable more rapid land reclamation.

o Basic research on the fundamentals of flotation has defined several previously unidentified electrochemical factors that may be key to the recovery of cobalt as a byproduct from lead ores currently being mined in Missouri. Because of the complex nature of the ore and the low cobalt concentration, co-recovery of this strategic material is not now economic. However, Bureau findings enhance the probability that the cobalt-bearing mineral can be selectively recovered, thus creating a potential source of supply equivalent to up to 20 percent of our annual domestic cobalt needs.

o Bureau research led to a new soldering system allowing the use of conventional tin-lead solders and fluxes to repair aluminum radiators and heat exchangers, common in many household, automotive, and industrial applications. This system has been selected for an award as one of the 100 top new technological developments of 1983 by the Industrial Research and Development Magazine Awards Committee.

o Bureau research has resulted in a patented method for recycling lead from scrap batteries to eliminate lead and sulfur dioxide emissions and produce lead pure enough for use in maintenance-free batteries. The Bureau method will cost about the same as current technology while improving environmental quality.

Minerals Information

o A major Bureau of Mines responsibility is the dissemination of minerals information through an established series of publications and special reports. The publications are authoritative sources for Government policymaking, industry trade and investment decisions, and the general public.

o Bureau publications disseminated in 1983 and/or scheduled for early 1984 include:

* The annual three volume Minerals Yearbook providing definitive minerals data for 1982: Volume I covers 100 non-fuel mineral commodities; Volume II covers the minerals industry in each State; and Volume III covers the minerals industry in 162 foreign countries and territories.

* Mineral Commodity Summaries 1984, the earliest published overview of relevant information on 100 commodities, represents a synopsis of the status of the mineral industry based on information available at the end of 1983.

* Mineral Commodity Profiles provide current data on minerals supply/demand relationships to the year 2000 for 20 important commodities, most of which are strategic and critical minerals.

* Mineral Industries of Africa is part of the Bureau's mineral perspective series and provides a description and analysis of the mineral industries of Africa and their role in world mineral supply and demand.

o The President's National Materials and Minerals Program Plan mandated reinforcement of the State Department's Regional Resources Officer (RRO) program. The Bureau was instrumental in the completion of an agreement between the Departments of State and Interior establishing procedures for selecting, training, and evaluating RROs and improving foreign mineral reporting from U.S. embassies.

Mineral Data Analysis

o To assist in determining the impact of mineral taxation systems, the Bureau has developed a comprehensive computer model which is capable of evaluating the economics of a mineral operation. The Bureau has made the computer program available to the public at a nominal cost.

o Two of the first comprehensive reports of the Bureau's Minerals Availability System, "Domestic Phosphate Rock Availability" and "Copper Availability in Market Economy Countries," will be published in early 1984.

o Mineral surveys conducted jointly by the Bureau of Mines and the Geological Survey are mandated by the Wilderness Act of 1964 and the Resources Planning Act of 1974 which established the Roadless Area Review and Evaluation (RARE II) program. The Bureau of Mines has completed reports on nearly one million acres of "Designated Wilderness Areas" in 1983, bringing the total acreage surveyed to over 23 million. During fiscal year 1983, the Bureau completed reports on 6.9 million acres in approximately 330 RARE II "Further Planning Areas", thus covering a total of 12.5 million acres which enabled the Forest Service to meet its planning cycle on schedule.

o The Bureau also collaborated in the preparation of Geological Survey Professional Paper 1300, "Wilderness Mineral Potential," a summary assessment of mineral resource potential in the Forest Service lands studied by the two agencies from 1964 through 1983.

BUREAU-INDUSTRY COOPERATION

Bureau of Mines research is undertaken in close collaboration with the private sector. The results seek to improve productivity, conserve minerals, reduce U.S. dependence on imported minerals, and provide a safer and cleaner workplace and environment.

Specific examples of Bureau-industry cooperative research illustrate the range of the program.

* A cooperative venture with four major lead producers has resulted in the development of a fused-salt electrolysis process that not only meets regulatory standards, but also appears to be economically competitive with current practice.

* A cooperative project now known as the Mining and Industrial Fuel Gas group was formed with the Bureau of Mines, the Department of Energy, iron ore companies, natural gas companies, and engineering and design firms. The project tests and improves methods for making fuel gas from low-grade coal and other combustibles for use in fire-hardening pellets made from iron ore concentrates. Pellets are essential to facilitate clean handling and charging into blast furnaces with minimum loss. The pellet hardening problem has been solved and other metallurgical and process heat applications are being tested.

* The Colorado Mining Association is participating in joint research projects which focus on health and safety hazards encountered in oil shale resource development.

* Industry is participating financially in testing and modification of a Bureau-designed remotely controlled, mobile retreat mining support system designed to increase recovery of coal that might otherwise have to be left underground and permanently lost.

Mr. Chairman, this concludes my prepared remarks. I will be happy to respond to any questions which you and your committee may have.

INTRODUCTION OF ASSOCIATES

Senator McClure. Please introduce your associates with you this morning, and then we will proceed directly with the questions.

Mr. Horton. Thank you, Mr. Chairman.

I have with me Gordon Miner, the recently appointed Deputy Director of the Bureau of Mines. It is nice to have an Idaho and Nevada man side by side here.

And Dick Laulor, Chief, Division of Budget, Bureau of Mines.

And Kristine Marcy, Deputy Director, Office of Budget, Office of the Secretary.

Senator McClure. Thank you very much, Mr. Horton, and I certainly do want to note an old friend in Deputy Director Gordon Miner. I have known him for many years, and it is a pleasure to have you here this morning, Gordon.

Mr. Miner. Thank you.

CHANGING DIRECTIONS AND PRIORITIES OF RESEARCH

Senator McClure. In 1985, the Bureau plans to simply eliminate all the 1984 congressional add-ons. Your 1985 request is identical to your 1984 request. In other research agencies, the direction of research is constantly changing as one line of inquiry pays off or dead ends.

Why is this not true of the Bureau?

Mr. Horton. It is true of the Bureau. The duplication is by accident, not design. Our priorities in research, relatively long term for the Bureau projects, commonly take well over 1 year to complete, or 2 or 3 years.

I assure you that each year we look down through our priorities to establish where we should properly be expending our funds.

The particular decreases reflect—in the case of the $5.5 million add-on, or addition that Congress saw fit to give us last year—those contracts are only now being initiated, not because of our need for delay but because of the time it takes to write a decent work statement, and those funds will be expended partially in 1984 and continuing on through 1985, and we don't believe it necessary to initiate new efforts in 1985 until these continuing ones are completed.

Senator McClure. Would you please provide for the record a list of your current research projects and the projects you have terminated or initiated in fiscal years 1981, 1982, and 1983?

Mr. Horton. All of our projects, Mr. Chairman? Yes, sir, we will.

Senator McClure. Thank you.

[The information follows:]

LIST OF RESEARCH PROJECTS FY 1981-84

The following is a listing of titles of current research projects and the projects terminated or initiated in fiscal years 1981, 1982, and 1983. The listing is organized by our research subactivities and includes both in-house and contracted research projects. The nature of our research program is such that a project initiated one year may be divided into more than one project or be merged with others in the next or subsequent years. Finally, in reviewing the list of titles, it is clear that many of them are topical and do not clearly identify the precise focus of the research effort which are evident in the detailed statements of work used for authorization documents. The list clearly indicates the breadth and diversity of the Bureau's research and demonstrates the completion of projects and initiation of others.

Health and Safety Technology

FY 1984

The following is a list of 331 research projects funded in FY 1984:

Radon Control Technology
Personal Exposure Measurement
Hearing Protector Research
New Technical Approaches to Quieting LHD's
Chain Conveyor and Gear Research
Investigations of Drills, Mufflers, and Drill Steel
Noise Abatement Profile
Investigations of the Effect of the Mining Environment on Acoustical Properties of Materials
Noise Control of Down-the-Hole Percussion Rock Drills
Improved Ventilation Technology for Noncoal Mines
Improved Stopping, Door, and Overcast Construction for Oil Shale Mines
Effective Face Ventilation Systems for Oil Shale Mines
Toxic Fumes From Explosives and Other Materials Used in Mining
Cyanide Hazard in Cleaning State of Maine Filters
Measurement and Control of Welding Fumes
Monitoring and Measurement of Contaminant Gases
Research to Control Particulate Emissions From Diesel Engines
Submicron Particulate as an Indicator of Diesel Exhaust Contamination
Formulation of Statistical Guidelines for Sampling for Underground Mine Air Quality Control
Development of a Clean Internal Combustion Engine for Underground Mining Machinery
Define the Empirical Relationship Between Cutting Parameters Dust Generation and Cutting Forces for Coal and Rock Cutting
Fundamentals of Dust Formation and Entrainment
Determination of the Extrinsic Parameters Governing the Quartz Exposure of Coal Mine Workers
Behavior and Transport of Silica Dust in Room and Pillar Mining Operations
Investigation of Quartz Dust Generation During the Removal of Overburden Material at Surface Coal Mines
Identification and Study of the Elemental Sources and Behavior of Respirable Dust as It Relates to Longwall Dust Control
Study of Coal Dust Wettability
Define and Characterize Mill Dust Sources and Its Control
Mine Inspection Data Analysis System
Study of Respirable Dust Monitoring Strategies and Evaluation of Dust Measurement Concepts

Determination of Silica Particle Size Distribution in Respirable Mine Dust Samples
Rapid and Simple Analytical Technique for Measurement of Asbestos in Dust Samples
Fabrication of Proof-of-Concept of Scaled, Linear, Coal Cutterhead
Investigation of Quartz Dust Sources and Control in Surface Mining
Novel Water Spray System to Reduce Dust on Continuous Mining Systems
Concepts to Control Quartz Dust Levels Downwind of Continuous Miners
Methods to Reduce Quartz Dust During Auger Coal Extraction
Concepts to Control Quartz Dust Exposure of Continuous Mine Operator and Helper
Computer Modeling of Flow-Field Equations for Dust Samplers
Techniques for Selective Measurement of Mine Dust
Investigation of Fundamental Approaches to Fire Warning in Underground Mines Including Stench Gas, CO Indicators, and Human Response
Hazard Detection and Instrumentation
Implementation of Coal Dust and Rock Dust Regulations
Fires in Mine Passageways
Characterizing the Effect of the Mining Environment on Underground Metal Mine Fire Detection
Flammability and Ignitability Testing of Mineral Dusts, Gases, and Vapors
Fire Hazards of Mine Combustibles
Pacification of Sulfide Oxidation
Spontaneous Combustion Research
Microscopic Structure and Reaction Mechanisms for Explosive Dust and Powdered Suppressants
Flammability and Ignitability Testing of Mineral Dusts, Gases, and Vapors
Fire and Explosion Hazards of Oil Shale Mining and Oil Mining
Full-Scale Mine Explosion Research
Prevention and Suppression of Ignitions and Explosions
Mine Fire Diagnostics and Extinguishment
Structural Analysis and Design for Longwall Mining
Model Studies and Field Verification of Roof Bolting Criteria
Geologic Studies for Coal Mine Ground Control
Engineering Data Base for Coal Mine Ground Control Planning
Field Investigation of Coal Mine Pillar Design
Roof and Pillar Stability at Coal Mine Intersections
Stress Technology for Improved Mine Design
Health and Safety Recommendations for Single-Entry Longwall Mining
Application of Geodynamic Accumulated Strain Sensor to In Situ Rock Stress Measurement
Evaluation of Ground Stability Problems in Quarry Operations
In-Seam Hazard Detection Using Geophysical Techniques
Acoustic Cross-Borehole and In-Mine Roof Hazard Detection Systems
Critical Parameters Controlling Roof Stability
Mine Inundation Warning Systems
Automated Microseismic Roof Fall Warning System
Three-Dimensional Remote Sensing Data Analysis for Mine Hazard Prediction
Prediction and Control of Rock Bursts and Failures in Mines
Detection of Imminent Rock Failure in Deep Vein Mines
Inorganic Cementing Materials
Roof Bolt Effectiveness Monitoring Using High Frequency Monitoring
Passive Roof Supports to Control Ground
Research on the Initiation, Monitoring, and Destressing of Coal Mine Bounces, Coal Bursts, and Gas Outbursts in Deep Western Mines
High-Speed Safe Roof Support Installation Techniques
Consolidation of Coal-Clay Waste by Improved Flocculation Technique
Surface Disposal of Mine Waste and Mill Tailings
Use of Filter Cloth for Coal Waste Stabilization

Structural Analysis and Design of High-Face Longwall and Longwall-Caving Extraction Methods for Thick Coal Seams
Ground Pre-Stressing Concepts for Multiple-Entry Development
Geologic Characterization of Roof Hazards in Western Coal Mines
Focused Resistivity Method for Detecting Geologic Hazards at a Great Depth
Modification for Permissibility of the Roof Truss Tension Indicator
Modernization of Research Center Instrumentation to Conduct Basic Ground Control Research
Additives for Strengthening Backfill Waste Materials in Steep Coal Seam Mining
The Investigation of Improved Management Practices for the Mining Industry
Human Factors of Manual Material Handling in the Coal Mining Industry
Computer Modeling of Mining Crewstations
Reduction of Human Error Accidents in Underground Mining
Research to Enhance the Conduct of New Hire, Refresher, and New Task Training
Field Evaluation of Prototype Training Equipment
Fundamental Factors of Operator Alertness to Enhance Surface Mining Safety
Blasters Training for Metal-Nonmetal Miners
Intrinsic Safety
Permissible Equipment
Grounding and Ground Fault Protection
Mine Power System Safety and Reliability
Inherently Safe Electrode Reactions for Use in Electrokinetic Dewatering
Fundamental Investigations of Robotics in Mining
Application of Remote Control Concepts to Face Equipment
Operator Protection for Surface Mining Equipment
Limited Coverage Low-Coal Operator Protection With Lateral Load and Side Protection
Evaluation of Braking Dynamics, Mechanisms of Slipping, and Analysis of Accidents
Collision Protection for Large Mobile Mining Equipment
The Investigation of the Need for Automation of Large Mobile Surface Mining Equipment
Investigation of Minimal Luminance Requirements for the Mining Industry
Fundamental Research on Potential Use of Large Diameter Fiber Optics for Area Illumination
Mine Telemetry and Environmental Surveillance System
Performance Standards and Systems Approach to Mine Monitoring
Electromagnetic Signal Propagation in Underground Mines
Evaluation of Conveyor Belt Cleaners
Wire Rope Retirement Criteria
Wire Rope Inspection, Retirement, Selection, and Use
Laboratory Analysis of Wire Rope
Investigation of Contracted Material Deformation as a Hoist Arrestment Device
Reduction of Human Errors
Determining the Effect of Incentive Programs on the Occurrence of Accidents, Injuries, and Productivity
Research for Development of SAE Guidelines for Underground Operator Compartments
Benefit-Cost Approach to Coal Mine Training
Development of Technology Transfer Strategies for Human Factors Research Utilizing the West Virginia Department of Mines Safety Information System
Basic Research to Determine the Frequency and Causes of Human Error Accidents in the Mining Industry

Human Factors Analysis of Job Demands
Human Factors Engineering of Handtools
The Effects of Incorporating Maintainability Design in the Mining Industry on Production and Injury Rates
Organizational Development for Improved Safety and Productivity
Cost-Benefit Analysis of Utilizing Human Factors Engineering Technology
Research and Development of a Model Safety Program for Small Mines
Supervisory and Management Selection and Development
Job Rotation
Performance Criteria for Nonroutine Health and Safety Skills
Impact of Health and Safety Training
Development of Safer Blasting Procedures and Techniques to Reduce Explosive Hazards
Effect of Explosive Properties and Blasting Procedures on Incendivity and Performance
Basic Understanding of Deflagration-Detonation Phenomena
Formalizing Occupational Training
Continuous Miner Training System
Evaluating Work Crew Performance
Investigation of the Impact of Palletization of Underground Mining Supplies on the Reduction of Industrial Type Hazards
Life Support, for Escape and Rescue
Advanced Breathing Metabolic Simulator Technology
Apparatus Design Parameters, Long-Term Field Evaluation of Self-Contained Self Rescuer
Engineering Testing and Evaluation
Systems and Strategies for Postdisaster Location and Rescue
Gas Instrumentation for Rescue Teams
Physiological Responses of Miners to Emergencies
Fundamental Factors Affecting Methane in Coal and Associated Strata
Understanding the Mechanisms of Gas Outbursts in Coal
The Geology of Methane in Metal and Nonmetal Mines
Vertical Borehole Methane Drainage, Longwall Mine Safety
Protection of Methane Drainage Systems
Methane Drainage for Low Permeability Coalbeds
Longwall Gob Gas Control Using Cross Measure Boreholes
Development of Methane Control Strategies in Metal-Nonmetal Mines
Ventilation for Methane Control
Research on Constitutive Relations of Coal and Coal Measure Rocks
Handheld CO_2 Detector Using Electrochemical Sensor
Demonstration of a Mine Shaft Fire and Smoke Protection System for Coal Mines
Development of a Roof Competence Tester
Conveyor Belt Dust Control
Standard Test Criteria for Evaluation of Underground Fire Detection Systems
Develop a Prototype, Quiet, Hard-Rock Stoper Drill
Circuit Breaker Development and Application
Low-Profile Lightweight Rescue Breathing Apparatus
Construction and Installation of Wire Hoist Rope Horizontal Axial Fatigue and Tensile Testing Machine
Dual Wavelength Light Sources
Development of Effective Face Ventilation Systems for Oil Shale Mines
Noise Control in Surface Mining Facilities, Chutes and Screens
Explosion-Proof Reusable Bulkheads
Cable Fault Locator Research
Demonstration of Automatic Remote Control Coupler for Mine Cars
Development of Consistent Low G Hoist Arrestment
Control of Diesel Exhaust Emissions in Underground Coal Mines
Development of Optimal Water Sprays and Scrubber Ventilation Systems for Dust and Methane Control in Underground Coal Mines

Improved Seatbelt Systems for Surface Mining Equipment
Detection of Mine Hazards and Geologic Conditions Using Electromagnetic-Seismic Probing From Boreholes
Remote, Manual Control Roof Bolter
Development of a Mechanized Scaler
Design, Construct, and Mine Test a Device for Installing Cement Grouted Roof Bolts
Development of a Clean Burning Internal Combustion Engine for Underground Mining Machinery
Combined Reflection Through-Transmission Acoustic Cross-Borehole Hazard Detection System
Second Generation Mobile Support for Retreat Mining
Satellite Monitoring for a Coal Waste Embankment
Video Display of Mine Environments
Device for Unloading AN-FO Charged Blastholes
Design, Fabricate, and Test a Pumpable Bolt System
Alertness Monitor: Equipment Evaluation and Exploration of Other Biological Systems
Light Sources for Fiber Optic Mine Lighting Systems
Personal Alpha Alarm
Development of a Methane Monitor Meeting the BOM ISMMS Requirements
Multipurpose Rescue Team Helmet
Gallery Tests Related to Mine Timber Fires
Fabrication and Evaluation of Optimized Operator Compartments
Develop Underground Model of Magnetostrictive Roof Bolt Tension Indicator
Temporary Face Support System
Remote Drill-Bolting System for Metal-Nonmetal Mines
Development of an Inclusion Gaged Sleeve for Use on a Cylindrical Pressure Cell
Dosimeter Test Program in Active Uranium Mines
Relationship of Underground Diesel Engine Maintenance to Emissions
Development of ROPS Performance Criteria for Large Mobile Mining Equipment
Improvement of On-the-Job Training Procedures Through Utilization of Modeling Imitative and Other Learning Techniques
To Design, Develop, and Implement a Front-End Loader Training System
Development and Validation of Training Program for Operators of Underground Noncoal Equipment
Research to Improve Health and Safety Programs in the Mining Industry
Wire Rope Fatigue Testing Machine
Development of a High-Voltage Permissible Loadcenter
Research Support for the Development of SAE Guidelines for Underground Operator Compartments
Extension of Low Coal Canopy Technology to Include Coal Drilling and Cutting Machines
Development of Safer Methods to Clean Down Storage Bins
Development of Materials and Strategies for Normal and Emergency Operation of Equipment
Multiplex Distribution System for Multichannel Pager Phone Communication
Bag Machine Dust Controls and Bag Sealing
Integrated System of Personal Protective Equipment for Mine Rescue Teams
Thermal Recovery System for Reducing Mine Refrigeration and Energy Needs
Track Maintenance Systems: Track Cleaning Car
Implementation of an Automatic Detection Capability Into MSHA's Seismic Location System
Improved Measurement of Earth Bed Resistance
Analysis of Explosion-Proof Enclosures
Development of Safer Detonators

Development of Coal Mine Dust Incombustible Content Meter
Rapid X-Ray Device for Silica Analysis
Factory Integration of an Illumination System into a Low Coal, Battery Powered Scoop
Recommended Acceptance Testing Criteria for Epoxies, Adhesives, and Similar Materials for Explosion-Proof Electrical Enclosures
Development and Assessment of New and Existing Canopy Technology for Lower Coal Seams
Development of Noise Control Technology for Jumbo Drills (2 contracts)
Retrofit of Underground Load-Haul-Dump Machines With Noise Control Packages
Optimization and Mine Testing of Water Spray Coolers
Noise Control of Underground Load-Haul-Dump Machines
Development of Quiet, Resilient Screens for Use in Coal Preparation
Systems Approach to Mine Fire Safety
Research to Determine the Feasibility of Utilizing Employee Assistance Programs for Mining Industry
Physiological Response of Miners
Development of an Automated Breathing Metabolic Simulator (ABMS)
A Pilot Program for Underground Mine Rescue and Emergency Program Utilizing Cooperative Resources
Analysis of Economic Impact of Fatal-Nonfatal Accidents in Surface Coal and Metal-Nonmetal Mines
Low-Glare Illumination System
Improved Diffuser and Spray Fan Systems for Ventilation of Coal Mine Working Faces
Respirable Dust Measurement
Underground Mine Monitoring and Control Testing Criteria
Standardization of Test Procedures Used for Permissible Equipment
Explosion Proofing of Large Vehicles
Reliability Engineering Support for the Mine Monitoring Research Program
Field Test a Postdisaster Communications System
Interaction of Radio Transmissions of Mine Monitoring and Control Systems
Research to Determine the Effects of Absenteeism and Worker Stress on Accidents in the Mining Industry
Preparation of a Human Factors in Mining Textbook
Mine Hoist Electrical System Study
Demonstration of Bulldozer Noise Control
Development of Six Prototype Production Stoper Drills
Development of Zone-Type and Single-Unit Visual Display System
Demonstration of Coal Mine Illumination Systems (2 contracts)
Development of a Safety-Oriented Supervisory and Management Training Program for the Underground Coal Mining Industry
Development of a Remote Readout Coal Dust Deposition Rate Monitor
Noise Study of Longwall Mining Systems
Development of an Improved Permissible Miners Caplamp
Preparation and Evaluation of Self-Regenerative CO Detection Gels
Advancement of Cab and Canopy Design and Use in Coal Mines
Emergency Rescue System for Deep Mines
Evaluation of the Safety of Underground Blasting Procedures
Assessment of Dispersing Tracer Gas With Ventilation Air Stream to Detect Mine Fires
Evaluation of Novel Coal Cutting Concepts for Reducing Dust Generation
Assess Feasibility of Machine-Mounted Scrubber Exhaust System for Ventilating Coal Mine Working Faces
Field Test of Deep Cutting Double Arm Shearer
Monitoring of Mine Air Pollutants
Equipment Use Data Base
Effect of Continuous Mining Machine Operator Variables on Dust Generation During Coal Cutting

Survey of Blasting Practices in Gassy Noncoal Mines
Cost Survey of Radon Daughter Control by Ventilation and Other Control Techniques
Analysis of ROPS in Service for at Least Five Years
Dust Control Handbook for Minerals Processing
Development of the Capacity to Assess Occupational Noise Overexposure in the Mining Industry
Development and Validation of a Comprehensive Mine Rescue Team Training Program
Evaluating Rigid Foams for Construction and Repairing Mine Stoppings
Hoisting System Components--Selection and Guidelines
Research Study to Determine the Applicability of New Methodologies in Mine Accident Investigations
Improved Ventilation of Sealed Gobs
A Study to Determine the Feasibility of Providing Adequate Human Engineered Operator's Cabs in Thin Seams Through the Use of a Remote Operator
Assessment of Whole Body Vibration Levels of Coal Miners
Hoist Signaling Monitor and Display System
Biochemical and Work Physiology Study in Underground Mining, Excluding Low Coal
Technique for Determining Efficiency of Sorbents in Diffussion-Type Samples
Psychophysical Investigation of Discomfort and Disability Glare From Underground Coal Mine Illumination System
Improved Canopy Air Curtain System
Evaluation of the Feasibility of Using Raman Scattering for Remotely Measuring Methane Concentration at a Working Coal Face
Revision of Mine Rescue Apparatus Handbook
Noise Control Guidelines for the Coal Mining Industry
Study of Radiofrequency Hazards at Low and Medium Frequencies to Blasting in Underground Mines
Propose and Evaluate Methods of Controlling Mercury Vapor Emissions in a Processing Mill Furnace Room
Improvements to the Seismic Detection and Location Procedure
Measuring the Effectiveness of Methane Drainage Activities in Advance of Mining
Investigation of Adaptive Noise Cancellation Techniques for Through-the-Earth Electromagnetics
Evaluation of Black River Mine Telecommunications System
Feasibility of High-Voltage Explosion Protection Techniques
Mine Demonstrations of Longwall Dust Control Techniques (5 contracts)
Performance and Test Criteria for DC Fuses--Phase I and II
Determining the Causes of Absenteeism and the Relationship of Absenteeism to Accidents and Injuries
Develop Materials for Oxygen Self-Rescuers
Development of Semiconductive Rubber Shielded Trailing Cable
Trailing Cable Maintenance Improvements
Develop Concentric Drill Steels for Noise Control of Percussion Drills
Prediction of Incipient Electrical Component Failures
Control of Respirable Quartz on Continuous Mining Sections (3 contracts)
Evaluation of the Deserado Mine Computerized Monitoring and Control System
Improving Man Transit Safety
Study of the Use of Personal Equipment in Low Coal
Haulage Truck Trainer System
Shearer Mounted Dust Collector
Investigation and Control of Noise Generated During Coal Cutting
Determination of the Products of Oxidative Thermal Degradation of Variously Treated Woods and Mine Materials
Design Specification and Fabrication of VHF Transmitters and Baseband Receivers

Noise Control for Rubber-Tired Front End Loaders Used in Surface Mining
Frictional Ignition Suppression by the Use of Cutter Drum Mounted Sprays
Evaluation of Mine Stopping Sealants and Squeeze Blocks
Second Generation Stability Indicators for Front End Loaders
Coal Mine Dust Control-Versus-Effectiveness Study
Construction of an Acoustic Reverberation Chamber
Cableless Borehole Survey Tool
Mine Electrical Research Laboratory
Computer Controlled Automated Breathing and Metobolic Simulator
Methane Drainage from Pocahontas No. 3 Coalbed
Methane Control in an Advancing Section of an Underground Coal Mine

FY 1983

During FY 1983 there were 650 total projects. The following 69 projects were initiated:

Development of Effective Face Ventilation Systems for Oil Shale Mines
Light Sources for Fiber Optic Mine Lighting Systems
Development of a Methane Monitor Meeting the BOM ISMMS Requirements
Improved Measurement of Earth Bed Resistance
Mine Hoist Electrical System Study
Sensitive Ground Fault Protection for Mines
Dust Control Handbook for Minerals Processing
Development of Semiconductive Rubber Shielded Trailing Cable
Trailing Cable Maintenance Improvements
Develop Concentric Drill Steels for Noise Control of Percussion Drills
Prediction of Incipient Electrical Component Failures
Control of Respirable Quartz on Continuous Mining Sections
Construction of an Acoustic Reverberation Chamber
Development of Life Support Technology
Long-Term Field Evaluation of Self-Contained Self-Rescuers
A Medium-Frequency System for In-Mine Location, Communication, and Rescue
Design of Horizontal Drilling Equipment for Increasing the Cost Effectiveness of Methane Drainage
Development of Improved Horizontal Hole Grouting Techniques
Assessment of the Potential for Gas Outburst Hazards in Coal Mines
Evaluate Borehole Instruments for Rock Mechanics Investigations
Inexpensive Testing Techniques Used in Mines on Unprepared Rock-Coal Samples
Pressure Grouting to Control Water Seepage Through Barrier Pillars and Strata Surrounding Inundation Bulkheads
Roof Control Methods for Coal Mines Operating Under Mined-Out Areas
Effectiveness of Air Tempering Entries in Reducing Shale Roof Disintegration
Effects of Excessive Roof Loading on Mine Supports, Installations, and Openings
Engineering Recommendations for Geotechnical Investigations of Hazardous Ground
Analyses of Rock Fall and Geologic Hazard Data
Cleat Influence on Pillar Bursts in Coal
Mine Inundation Warning Systems
Deconvolution as a Technique for Performance Improvement of the Synthetic Pulse Radar Method
Coal Mine Hazard Detection Using Synthetic Radar
Effects of Horizontal Drains on Phreatic Surface and Factor of Safety
Analytic Techniques--Waste Disposal
Electrokinetic Techniques for Stabilizing Coal Sludge Ponds and Recovering Coal Values

Application of Geodynamic Accumulated Strain Sensor to In Situ Stress Measurement
Innovative Mine Roof Supports
Evaluation of Roof Trusses
Support Systems for High Underground Openings in Thick Coal Beds
Tunnel Liner Studies
Anchorage Problems With Resin Grout Roof Bolts
Support of Thick Top Coal Rock
Determination of Decay in Mine Timber
Support of Thick Coal Roof
Evaluation of Ultrasonic Elongation Measurement Device
Stress Relief Drilling
Strategies for Efficient Ground Control Instrumentation
Microseismic Application to Automatic Section Power Shutoff
Minimum Column Lengths for Resin Grouted Bolts in Evaporites
Assessment of Canopy Performance in the Underground Mining Industry
Wire Rope Cleaning and Lubrication
Electromagnetic Nondestructive Testing of Wire Rope
Corrosion Rating Standard for Wire Rope
Robotics Research Program
Development of Criteria for Evaluating New Hire and Annual Refresher Training
Research to Reduce Back Injuries in the Mining Industry
Organizational Behavior Research
Development of Performance Measures for Underground Equipment Operators
Human Factors in Surface Mining Safety
Fundamental Causes of Mine Accidents
Advanced Advertising Techniques for Miner Safety Training
Industrial Hygiene Hazards
Mechanism of Dust Explosion
Fire and Explosion Hazards of Large Diesel-Powered Mining Equipment
Mine Fire Diagnostics
DC Power Systems
Handbook for Improved Mine Equipment Battery Safety
Multirange Prototype Methane Monitor Study
Cost Effectiveness of Bureau-Developed Methane Drainage Techniques and Other Technology
Reduced Gear Noise Research

The following 154 projects were concluded:

Research on Constitutive Relations of Coal and Coal Measure Rocks
Downhole Rock Borehole Shear Tester
Field Prototype Light-Scattering MMRDM
Abatement of Noise of Continuous Mining Machines
Communication System for Refuge Shelters
Remote Sealing-Field Equipment Upgrading
Evaluate Longwall Dust Sources and Control Technology
Device to Evaluate Installation Quality of Split Set Bolts
Evaluation of Bulkheads for Radon Control
Continuous Working Level Detector System
Evaluation of Charged Water Sprays
Field Demonstration of Deep Penetrating Borehole Geophysical Techniques
Field Test Wet Auger System
Computerized Index of Available Training
Development of Criteria for Evaluating New Hire and Annual Refresher Training
Research to Reduce Back Injuries in the Mining Industry
Organizational Behavior Research

Feasibility Study on the Use of Visual Skills Training in Hazard Recognition for Underground Miners
Development of Performance Measures for Underground Equipment Operators
Human Factors in Surface Mining Safety
Fundamental Causes of Mine Accidents
Advanced Advertising Techniques for Miner Safety Training
Prediction of Coalbed Discontinuities to Increase Effectiveness of Drilling for Methane Drainage
Influence of Geology on Occurrence and Emission of Methane in Coal Mines
Application of Vertical Borehole Methane Drainage to Mine Safety
Application of Horizontal Drilling Technology to Health and Safety Problems in Metal and Nonmetal Mines
Development of Control Techniques Using Horizontal Boreholes
Gob Degasification From Underground Locations
Design of Horizontal Drilling Equipment for Increasing the Cost Effectiveness of Methane Drainage
Development of Improved Horizontal Hole Grouting Techniques
Assessment of the Potential for Gas Outburst Hazards in Coal Mines
Develop Improved Coal Mine Design Procedures
Evaluation of Room-and-Pillar Design Methods
Inexpensive Testing Techniques Used in Mines on Unprepared Rock-Coal Samples
Anchorage of Inundation Bulkheads in Coal Mine Openings
Prediction of Unstable Mine Roof Based on Remote Sensing Analysis
Pressure Grouting to Control Water Seepage Through Barrier Pillars and Strata Surrounding Inundation Bulkheads
Effectiveness of Air Tempering Entries in Reducing Shale Roof Disintegration
Effects of Excessive Roof Loading on Mine Supports, Installations, and Opening
Engineering Recommendations for Geotechnical Investigations of Hazardous Ground
Analyses of Rock Fall and Geologic Hazard Data
Mine Roof Movement Warning System Using a Laser Beam
Cleat Influence on Pillar Bursts in Coal
Deconvolution as a Techniques for Performance Improvement of the Synthetic Pulse Radar Method
In-Mine Hazard and Bad Roof Detection Systems
Detection of Coal Mine Roof Fall Hazards Utilizing Electromagnetic Sensors
Microseismic Monitoring of Waste Dam Stability
Effect of Horizontal Drains on Phreatic Surface and Factor of Safety
Fabrication of a Low Vein Circular Kerf Cutting Machine
Driver Alertness Monitoring Systems for Large Haulage Vehicles
Assessment and In-Place Control of Decay in Mine Timber
Design, Fabricate, and Test a Wireless Microseismic System
Evaluation and Demonstration of Underhand Stoping to Control Rock Bursts
Kinetic Studies Relevant to the Suppression of Coal Dust Explosions by Powered Inhibitors
Fire Protection for Plastic Stacks and Mine Shafts
Personal Dust Exposure Monitor
Development and Fabrication of a Continuous Miner Training System
Design, Development, and Test of a Continuous Miner Recovery Device
Illuminaton of Electric Powered, Mobile Surface Mining Equipment
Develop a Prototype Retrofit Noise Treatment for Jumbo Drills
Submicron Particulate Fire Detection
Develop and Fabricate a Carbon Monoxide Instrument Using Acid Fuel Cell Sensor Technology
Study of Duty Cycle of Diesel Vehicles Used in Mines

Penumatic Transport Safety Designs
Hazard Analysis and Safety Economics of Mineral Processing Plant Facilities
Recommended Acceptance Criteria for Potting Materials Used in Explosion-Proof Enclosures in Coal Mines
Develop Data for Review of Metal and Nonmetal Mine Methane-Hazard Classification
Cost-Effectiveness of Increasing Airflow at Any Location in Underground Coal Mines
Compressed Oxygen Self Rescuer
Telephone Communication System for Deep Vein Metal Mine
Study of Underground Coal Mine Safety
Recommended Practices for Electrical Shock Protection
System Study of Miner Rescue Through Electromagnetic Means
Analytical Research on Through-the-Earth Communications
Analysis of Electrical Accident Prevention Countermeasures
Environmental Field Health Survey
Methane Telemetry System for Continuous Miners
Expert Services in Preparation and Evaluation of Self-Regenerative Carbon Dioxide Detection Gels
Improved Nickel-Zinc Cells for Cap Lamp Mining Use
Noise Attenuating Properties of Earmuffs
Off-Highway Truck Overload Detection
Evaluation of Proximity Warning Devices
Preparation of a Field Guide for the Identification of Rock Core in Coal Mining Regions of Northern West Virginia, Northeastern Ohio, and Western Pennsylvania
Modification of a Fail-Safe Trolley Wire Energizing-Deenergizing System
Development of a Fail-Safe, Slack-Overload Rope Protection System
Coal Dust Combustion in Stirred Reactor: Evaluation of Combustion and Extinction Mechanism in Coal Dust Explosion Flames
Mine Trailing Cables and Cable Splices
Develop a Microseismic Handbook
Statistical Analysis of Wire Rope
Critical Parameters of Tailing Embankment Designs
Safety Assessment Method for the Mining Industry
Novel Cab Design Concepts to Improve Large Haulage Vehicle Safety
Microseismic Techniques Applied to Waste Dam Monitoring
Safety Analysis of the Blind Shaft Borer
Propagation of Electromagnetic Signals in Underground Metal-Nonmetal Mines
Determination of Velocity Measurement Correction Factors and Guidelines
Study on Buried Communication Cables for Underground Mines
Reverse Performance Charcteristics of Main Mine Fans
Development of Training Program for Shaft and Slope Construction Personnel
A Feasibility Study for the Detection of Weak Electromagnetic Signal Burst With Hard Limited Arrays
Validation and Extension of Visibility Requirements Analysis for Underground Mining Equipment
Theoretical Study, Design and Analysis of an Improved Shuttle Car Cable Reel System
Integration of Atmosphere Inerting Into Underground Mine Firefighting
Evaluation and Improvement of Electrical Storm Warning Systems
Effects of Engineering Parameters on the Control of Respirable Dust
Evaluation of Stand-Alone Interactive Teaching Machines for Mine Vocational Training
Development and Assessment of a Training Program for Fighting Small Fires in the Mining Industry
An Investigation of the Mode of Action of Extinguishing Agents Used in Coal Mines Against Coal Dust Explosions

Fire Hazard Criteria for Noise Control Products in Underground Coal Mines
Development of Life Support Technology
Long-Term Field Evaluation of Self-Contained Self-Rescuers
Trapped Miner Location and Communication
Electrokinetic Techniques for Stabilizing Coal Sludge Ponds and Recovering Coal Values
Mine Planning to Reduce Ground Control Problems and Rock Burst Hazards in Deep Vein Mines
Field Test of Microseismic Slope Stability Monitoring System
Compaction Criteria for Metal-Nonmetal Waste
Inorganic Grout for Coal Mine Roofs
Inorganic Grout-Material Study
Field Evaluation of Existing and Innovative Roof Bolt Elements
Sealants to Stop Shale Degradation Long-Term Evaluation
Improved Roof Sounding Techniques
Control and/or Prevention of Ignitions From Light Metals Impact
Metallurgical Evaluation of Roof Rock Bolts
Stress Relief Drilling
Strategies for Efficient Ground Control Instrumentation
Microseismic Application to Automatic Section Power Shutoff
Self-Centering Coupler for Track Haulage Vehicles
Effect of Unsafe Parameters on Wire Rope Life Using the University of Illinois Computer Model
Underground Equipment Brake Performance Evaluation
Extended Field Validation for the Front-End Loader Stability Indicator
Assessment of the Role of Mining Equipment Rebuild Shops in Bureau of Mines Technology Transfer Activities
Mobile Equipment Maintenance Safety
Control of Radon Daughters Through Air Cleaning and Other Removal Techniques
Radiation Warning System for Uranium Mines
Mercury Vapor Suppression in Mercury Ore Processing
Investigation of Emission Controls for Diesel Engines Operated Underground and Alternative Power Source Assessment
Remote Methane and Mine Fire Detection
Float Dust Formation, Deposition, and Control
Ignition Hazard of Sintered Metal Brake Linings
Mine (Fire) Ventilation Code, Modification and Maintenance
A Pneumatic Fire Detection System for Deep, Multilevel Shafts
Improved Bit Materials for Continuous Coal Mining Machines
Coal Mine Fire Protection System Component Ruggedization
Improved Mine Fire Protection
Electrical Equipment, Devices, and Systems
Illumination Research
Underground Communications Systems
Risk Analysis of Job Tasks and Other Mining Activities
Health and Safety Considerations of Novel Mining Systems
Demonstration of Sheathed Explosive Charge Blasting Practices
Hazard Analysis of Underground Mining

During FY 1982 there were 731 total projects. The following 87 projects were initiated:

Low-Profile Lightweight Rescue Breathing Apparatus
Construction and Installation of Wire Hoist Rope Horizontal Axial Fatigue and Tensile Testing Machine
Dual Wavelength Light Sources
Ultrasonic Forward Scanning for Coal Mine Seam Hazard Detection
Design, Fabricate, and Test a Pumpable Bolt System
Field Test of Uniformly Tensioned Roof Bolts
Development of Technology to Reduce Equipment-Related Accidents

Operator Protection for Surface Mining Equipment
Assessment of the Role of Mining Equipment Rebuild Shops in the Bureau of Mines Technology
Analysis of Equipment, Haulage, and Material Handling Accidents in the Mining Industry
Analysis of Materials Handling Accidents in Underground Mining
Control of Float Dust
Retorting Process Ignition Hazards
Explosion and Fire Ignition Prevention and Suppression
Fire-Suppression System Component Ruggedization and Fire-Resistant Water-Glycol Fluid
Determination of Permissibility Requirements for Blasting in Noncoal Mines
Methods of Reducing Accidents Caused by Misfires
Hazard Analysis of Underground Mining--Methane, Roof Falls, and Fires
The Origin and Geologic Influences on the Migration of Methane Into Metal and Nonmetal Mines
Application of Vertical Borehole Methane Drainage to Mine Safety
Investigation of Available Technology for Directional Drilling of Coalbeds
Application of Horizontal Drilling Technology to Health and Safety Problems in Metal and Nonmetal Mines
Design and Development of Improved Horizontal Drilling Equipment for Methane Drainage
Alertness Monitor: Equipment Evaluation and Exploration of Other Biological Systems
Implementation of an Automatic Detection Capability into MSHA's Seismic Location System
Field Test a Postdisaster Communications System
Advanced Techniques for Radiation Dosimetry
Interaction of Radio Transmissions of Mine Monitoring and Control Systems
Research to Determine the Effects of Absenteeism and Worker Stress on Accidents in the Mining Industry
Preparation of a Human Factors in Mining Textbook
Safety Assessment Methods for the Mining Industry
Performance and Test Criteria for DC Fuses--Phase I and II
Integration of Atmosphere Inerting into Underground Mine Firefighting
Determining the Causes of Absenteeism and the Relationship of Absenteeism to Accidents and Injuries
Develop Materials for Oxygen Self-Rescuers
Cableless Borehole Survey Tool
Underground Fire Protection Systems for Metal and Nonmetal Mines
Model 6L-56 Shuttle Car
Used Long-Airdox Feeder Breaker System
Human, Machine, and Environmental Tests of Breathing Apparatus
Advanced First Aid, Health, and Fitness Studies
Advanced Breathing Apparatus Design
Improved Rescue Technology and Personal Protective Equipment for Mine Rescue
Delineation of Abandoned Mine Workings and Other Mining Hazards With Integrated Geophysics
Evaluation of Room-and-Pillar Design Methods
Entry Design for Longwall Mining on Steeply Pitching Coal Seams
Face Slabbing Along High Longwall Faces in the Western United States
Assessment of Clay Vein and Slickenside Support Techniques
Development of Design Procedure to be Used in Layout of Workings in Multiple Seam Mining Situations
Safety Procedures for Reducing Roof Falls Due to Swelling and Slaking Roof Rock
Engineering Properties of Coal Measure Rocks in the Illinois Coal Basin

Longwall Mining Design Parameters
Demonstration of a Single-Entry System for Longwall Mining
Blasting Parameters That Affect Highwall Stability
Application of In-Seam Seismic Techniques for Detection of Voids and Faults
Develop and Demonstrate Ultrasonic Closure Rate and Roof Fall Prediction Device
Detection of Bad Roof by Resonance
Coal Mine Hazard Detection by Acoustic Methods
Disposal of Wastes Over Active Underground Mines
Use of Infrared Scanners to Detect Water Levels in Waste Embankments
Ground-Aerial Inspection of Surface Coal Waste Disposal Sites
Consolidation of Coal-Clay Waste by an Improved Flocculation Technique
Field Test of Microseismic Monitoring of Waste Dams
Evaluation of Ground Stability Problems in Quarry Operations
Premine Planning to Reduce Ground Control Problems and Rock Burst Hazards
Develop Fiber Optic Transmission System for Seismic Events
Improved Rock Burst Monitoring
Compaction Criteria for Metal-Nonmetal Waste
Flexible Liner With Backpack
Mine Roof Stabilization Using Inorganic Chemical Bonding
Steel Support Study
Required Length of Resin Columns for Grouted Bolts
Coal Mine Roof Deflection Analysis
Field Evaluation of Resin Bolt Tester
Field Test of ATRS for Single Head Roof Drill
Underground Test of the 4M Miner
Field Test and Modification of Lightweight Hydraulic Props
Computer Organization of Single-Entry Data
Preparation of Longwall Support Selection Guide
Retreat Mining Methods--Field Study
Rock Bolting Prior to Blasting in Conventionally Driven Raises
Metallurgy Technology
Corrosion of Metallic Roof Support Elements
Improved Roof Sounding Techniques
Sealing Technology
Feasibility Study on the Use of Visual Skills Training in Hazard Recognition for Underground Mines
Analysis of MSHA Health and Safety Inspection Data From Metal and Nonmetal Mines

The following 124 projects were concluded:

Demonstrating the Noise Control of a Coal Preparation Plant
Development and Validation of a Miner's Instructional Procedure for Improved Safety Training
Development of Improved Scrubbers for Coal Mine Applications
In-Mine Test of the Effects of Hardened Washers Using Torque-Thrust Control Bolter
Analysis of Coal Mining Blasting Accidents
Development of Improved Blasting Machine Tester
Acceptance Criteria for Nonejectable Cap Lamp Bulb
Handbook for Electrical Grounding Safety for Small Pits and Quarries
Evaluate Detection Systems for Fires in Mine Passageways
Electronic Radon Daughter Personal Dosimeter
Operational and Maintenance Safety Analysis of Large Mine-Run Rock Conveyor
Processing Plant Equipment Safety
Modification and Demonstration of an Improved Circular Kerf Cutting Machine
Investigation of Available Technology for Directional Drilling of Coalbeds

Design and Development of Improved Horizontal Drilling Equipment for Methane Drainage
Use of High Resolution Resistivity System to Locate Abandoned Mine Workings
Analysis of Cutter Roof in Coal Mines Using the Finite Element Method
Influence of Roof and Floor Rocks on the Strength of Coal Pillars
Face Slabbing Along High Longwall Face in the Western United States
Assessment of Clay Vein and Slikenside Support Techniques
Engineering Properties of Coal Measure Rocks in the Illinois Coal Basin
Validity of Existing Blasting Proximity Criteria and Scaling Laws
Mixing Coarse and Fine Coal Wastes
Disposal of Wastes Over Active Underground Mines
Use of Infrared Scanners to Detect Water Levels in Waste Embankments
Ground-Aerial Inspection of Surface Coal Waste Disposal Sites
Ground Control Design for Hard Rock Mines
Pillar Destressing in Advance of Mining
Mechanical Properties Handbook and Data Base
Improved Rock Burst Monitoring
Lab Test Program for Long Hole Bolting
Concrete Crib Design and Field Test and Technology Transfer
Field Test of ATRS for Single Head Roof Drill
Human Factors and Industrial Safety (Education and Training)
Human Factors and Industrial Safety (Ergonomics)
Surface Mine Training
Testing and Demonstration of Roof Bolter Instrumentation of Detecting Hazardous Roof
Development of a Clean Burning Internal Combustion Engine for Underground Mining Machinery
Improved Emergency Shutoff-Lockout System for Conveyors
Advanced Techniques for Radon Gas Removal
Optimizing Diffuser Fan Flow and Location in Coal Mine Working Face Areas
Feasibility Study for a Safety-Oriented Mining System
Development of a Tension Indicating Mine Roof Bolt
Improved Visibility Systems for Large Haulage Vehicles
Improved Fire Protection System for Underground Fueling Areas
Lightweight Rescue Breathing Apparatus
Application of Weathering Protection at the Face
Component Test of Roof Bolt Reinforcing Systems Phase I--Feasibility Study
Develop a Mechanical Scaling Bar
Improved Fire Protection System for AN-FO Haulers and Loaders
Operational Technqiues for Retreat Mining
Development of Lightweight Hydraulic Supports
The Effects of Moisture on Radon Emanation
Detection of Inundation Hazards by Overwater Seismic Methods
Portable Dynamic Brake Testing Apparatus for Mobile Underground Mine Equipment
System to Prevent Clogging of Gas Sampling Tubes
Incorporation of Fire Extinguishing Agents in High Expansion Foam
Study of Improved Water Spray Systems to Reduce Respirable Dust on a Continuous Miner
Mine Wireless Communication System
Innovative Design of Explosion-Proof Electrical Enclosures
Development of Wireless Communications for Trackless Haulage Vehicles
Develop Continuous Methane Monitor
Dust Control for Cutter Machines
Silencing the Flame Channeling Process
Biomechanics in Low Coal
Dry Dust Collector
Commercial Development of a Mine Type DC Power System Fault Current Limiting and Interruption System

Safety Analysis of Impactor Shaft Sinking System
Improved Techniques for Boulder Blasting at the Crusher
Mine Haulage Roadway Surface Safety Hazards
Develop Data to Determine Compaction Criteria for Coal Waste Embankments
Face Ventilation Monitoring and Data Acquisition System
Procedures for Hoist and Shaft Inspection and Maintenance
Feasibility of Water Injection for Particulate Removal in Large Turbocharged Diesel Engines
Demonstration of Noise Control Techniques for the Crushing and Screening of Nonmetallic Minerals
Guidelines for Environmental Monitoring in Coal Mines
Improving Check Curtains, Line Curtains, and Extensible Face Ventilation
Analysis of Coal Mine Electrical Accidents
Fiber Optic Technology for Mine Use: A Report of Current Capability and Projected Technical and Economic Trends
Combined Fire-Rot Retardant Treatment for Wood Mine Timber
The Quenching Behavior of Coal Dust-Air Mixtures
Control of Shale Roof Deterioration With Air Tempering
Sealant Tests to Control Radon Emanation in Uranium Mine
Survey of Dust Control Research
Integration of Quieting Technology into New Mantrip Vehicles
Inventory of Coal Waste Embankments, Surface and Underground Openings
Longwall Mining Principles for Safely Working Steep Coal Seams
Survey of Safety Procedures for Guarding Blast Affected Areas
Timber Use and Availability Study
Mine Personnel and Activity Controller
Determine the Comparability of Pupilographic and Electrooculographic Measures in Determining Fatigue in Truck Drivers
Development and Implementation of a Techniques of Instruction Seminar
Blasthole Depth and Stemming Height Measuring System
Design of an Extended Bumper for Mine Haulage Trucks
Safety Evaluation of Conveyor Belt Cleaning System
Engineering Noise Control Guidelines for the Coal Mining Industry--Handbook
Improved Tire Inspection for Large Mobile Mining Equipment
Tiltmeter Data Analysis, Windpipes Projects, White Pine
Criteria for Determining When a Body of Surface Water Constitutes a Hazard to Mining
Design and Evaluation of Uranium Miner Radiation Exposure Measurement Programs
Probabilistic Modeling of Tailing Embankment Designs
Demonstration of Coal Mine Illumination Systems
Designs Guidelines for Improved Water Spray Systems
Field Survey of Float Dust in Coal Mining Operations
In-Mine Demonstrations of Telephone and Carrier Phone Guidelines
Investigation of Alternative Power-Line Proximity-Warning Techniques
Atmosphere Inerting System for Deep Mines
Noise Control in Surface Noncoal Plants and Mills--Noise Control for Secondary Crushers
Trolley Line Power Transfer to Vehicles
Manual for Mine Communications
Human Factors Problem Identification in Surface Mines
Coal Mine Dust Control Versus Effectiveness Study
Predicting Screening Performance of Nonmetallic Decks
Mine Communications--Engineering and Administrative Services
Front-End Loader ACME Model S1-D1 Little Scrapper
Human, Machine, and Environmental Tests of Breathing Apparatus
Advanced First Aid, Health, and Fitness Studies
Advanced Breathing Apparatus Design
Short Range Locator

Development of Trapped Miner Location System Using Phase Difference of Arrival Techniques
Improved Rescue Technology and Personal Protective Equipment for Mine Rescue
Survey of Dust Control Problems
Noise Study of Lead and Other Metal-Nonmetal Mining in the United States
Thermal Stress--Measurement and Protection

FY 1981

During FY 1981 there were 770 total projects. The following 135 projects were initiated:

Standard Test Criteria for Evaluation of Underground Fire Detection Systems
General Purpose Maintenance and Material Handling Vehicle
Develop a Prototype Quiet Hard Rock Stoper Drill
Evaluation of Bulkheads for Radon Control
Continuous Working Level Detector System
Combined Reflection Through-Transmission Acoustic Cross-Borehole Hazard Detection System
Evaluation of Charged Water Sprays
Second Generation Mobile Support for Retreat Mining
Second Generation Spontaneous Combustion Warning System
Coal Mine Hazard Detection Using Synthetic Radar
Satellite Monitoring for a Coal Waste Embankment
Field Demonstration of Deep Penetrating Borehole Geophysical Techniques
Video Display of Mine Environments
Device for Unloading AN-FO Charged Blastholes
Safety and Health in Underground Mine Waste Disposal
Extension of Low-Coal Canopy Technology to Include Coal Drilling and Cutting Machines
Development of Safer Methods to Clean Down Storage Bins
Development of Materials and Strategies for Normal and Emergency Operation of Equipment
Multiplex Distribution System for Multichannel Pager Phone Communication
Bag Machine Dust Controls and Bag Sealing
Integrated System of Personal Protective Equipment for Mine Rescue Teams
Thermal Recovery System for Reducing Mine Refrigeration and Energy Needs
Track Maintenance Systems: Track Cleaning Car
Environmental Testing of Personal Audio Dosimeters
Fiber Optic Technology for Mine Use: A Report of Current Capability and Projected Technical and Economic Trends
Analysis of Economic Impact of Fatal-Nonfatal Accidents in Surface Coal and Metal-Nonmetal Mines
Low Glare Illumination System
Recommended Practices for Electrical Shock Protection
Improved Diffuser and Spray Fan Systems for Ventilation of Coal Mine Working Faces
Reliability Study of Trapped Miner Electromagnetic Transmitters
Use of Hazard Pictorials-Symbols in the Mineral Industry
Longwall Data Bank
Nondestructive Testing for Wire Rope Retirement
Respirable Dust Measurement
System Study of Miner Rescue Through Electromagnetic Means
Testing of 4-M Miner
Development of Capability for Determining the Potential Impact of Noise Control Measures on the Number of Mine Work Overexposures

Underground Mine Monitoring and Control Testing Criteria
Analyical Research on Through-the-Earth Communications
Electrical Installations in Oil Shale Mines
Underground Coal Mine Illumination Systems Handbook-Manual
Analysis of Electrical Accident Prevention Countermeasures
Standarization of Test Procedures Used for Permissible Equipment
Explosion Proofing of Large Vehicles
Splicing Shielded Cable
Reliability Engineering Support for the Mine Monitoring Research Program
Briefing of Bureau's Research on Use of Microprocessors in Mining Operations
Develop a Microseismic Handbook
Design of an Extended Bumper for Mine Haulage Trucks
Belt Conveyor Maintenance and Installation Procedures
Improved Equipment Design to Reduce the Haulage Truck Maintenance Injuries
Basic Research on Coal Fragmentation and Dust Entrainment
Statistical Analysis of Wire Rope
Effect of Continuous Mining Machine Operator Variables on Dust Generation During Coal Cutting
Safety Evaluation of Conveyor Belt Cleaning System
Critical Parameters of Tailing Embankment Designs
Demonstration of Fresnel Lens Blind Area Viewers on Large Underground Mine Vehicles
Survey of Blasting Practices in Gassy Noncoal Mines
Develop Mine Design Criteria Related to Stability of Mountain Slopes Undercut by Coal Mines
Cost Survey of Radon Daughter Control by Ventilation and Other Control Techniques
Analysis of ROPS in Service for at Least Five Years
Improved Canopy Air Curtain System
Testing Jet Fans in Metal-Nonmetal Mines With Large Cross Sectional Airways
Evaluation of the Feasibility of Using Raman Scattering for Remotely Measuring Methane Concentration at a Working Coal Face
Analog Device for Simulation of Hard-Rock Mine Ventilation
Revision of Mine Rescue Apparatus Handbook
Noise Control Guidelines for the Coal Mining Industry
Development of Training Program for Shaft and Slope Construction Personnel
Recommendations for Minimal Luminance Requirements for Metal and Nonmetal Mines
Study of RF Hazards at Low and Medium Frequencies to Blasting in Underground Mines
Propose and Evaluate Methods of Controlling Mercury Vapor Emissions in a Processing Mill Furnace Room
A Feasibility Study for the Detection of Weak Electromagnetic Signal Bursts with Hard Limited Arrays
Improvements to the Seismic Detection and Location Procedure
Investigation of Alternative Power-Line Proximity-Warning Techniques
A Benefit-Cost Approach to Coal Mining Training
Measuring the Effectiveness of Methane Drainage Activities in Advance of Mining
Investigation of Adaptive Noise Cancellation Technqiues for Through-the-Earth Electromagnetics Agents and Other Explosive Materials
Validation and Extension of Visibility Requirements Analysis for Underground Mining Equipment
Evaluation of Black River Mine Telecommunications System
Atmosphere Inerting System for Deep Mines
Feasibility of High Voltage Explosion Protection Techniques

Theoretical Study, Design, and Analysis of an Improved Shuttle Car Cable Reel System
Improved Oxygen Sources for Breathing Apparatus
Development of Trapped Miner Location System Using Phase Difference of Arrival Techniques
Short-Range Locator
Surface Mining Training
Human Factors and Industrial Safety
Investigations of Methane in Metal and Nonmetal Mines
Application of Vertical Borehole Degasification to Mine Safety
Application of Horizontal Drilling Technology to Health and Safety Problems in Mines
Use of High Resolution Resistivity System to Locate Abandoned Mine Workings
Geologic Character of Kettlebottoms and Causes of Roof Failure
Guidebook for Identification of Geologic Features Contributing to Roof Falls
Prediction of Unstable Mine Roof Based on Remote Sensing Analysis
Analysis of Cutter Roof in Coal Mines Using the Finite Element Method
Influence of Roof and Floor Rocks on the Strength of Coal Pillars
Ground Control Design for Room-and-Pillar and Longwall Coal Mines
Anchorage of Inundation Bulkheads in Coal Mine Openings
Classification of Mine Roof According to Support Mechanism Efficiency
Development of Guidelines for Ground Control Under Old Workings
Develop Improved Coal Mine Design Procedures
Develop Closure Rate Device for Roof Fall Prediction During Retreat Mining
Detection of Coal Mine Roof Fall Hazards Utilizing Electromagnetic Sensors
Evaluation of Filter Cloth for Stabilization of Coal Mine Wastes
Consolidation of Coal-Clay Wastes by an Improved Flocculation Technique
Mixing Coarse and Fine Coal Wastes
Mechanical Properties Handbook and Data Base
Ground Control Design for Hard Rock Mines
Improved Roof Sounding Techniques and Equipment
Inorganic Grouts-Materials Study
Polymeric Sealants to Stop Shale Degradation
Operation and Maintenance of the Model Roof Bolt Test System
Packwall Evaluation
Feasibility of Aluminum Alloy Sparking Control-Prevention Measures
Steel Support Study
Demonstration of a Concrete-Crib Support System in an Advancing Longwall
Field Testing and Evaluating a New Improved Seat and Seatbelt System for Surface Mining Equipment
Machinery-Maintenance-Related Accidents--Evaluation of Existing Data
Evaluation of Cracklike Discontinuities of Rollover Protective Structures
Shaft Maintenance Guidelines
Study of Underground Uranium Mill Waste Disposal Practices
Prevention and Suppression of Face Ignitions and Explosions
Inert Gas Generator for Extinguishment of Mine Fires
Mine (Fire) Ventilation Code, Modification and Maintenance
Handbook for Electrical Grounding Safety for Small Pits and Quarries
Recommendations for Minimal Luminance Requirements for Metal and Nonmetal Mines
Analysis of Mine Blasting Accidents
Prepare a Practical Blasting Handbook
Planned Application of Research Results to Mining Operations
Establish Mine Vehicle Environmental Parameters for Component Specification Requirements

Statistical Accident Analysis and Literature Research
Economics of the Application of Improved Health and Safety Hardware
Characterization of Airborne Coal Dust
Noise Study of Lead and Other Metal-Nonmetal Mining in Central United States
Measurement and Control of Welding Fumes

The following 148 projects were concluded:

Development of Life Support Technology
Improved Oxygen Sources for Breathing Apparatus
Delineation of Abandoned Mine Workings with High-Resolution Seismic Techniques
Geologic Character of Kettlebottoms and Causes of Roof Failure
Guidebook for Identification of Geologic Features Contributing to Roof Falls
Quantitative Measurement of Time Dependent Structural Behavior and Geophysical Properties of Coal Measure Rocks
Ground Control Exploration and Its Application to the Design of Underground Coal Mines
Ground Control Design for Room-and-Pillar and Longwall Coal Mines
Develop and Implement Applications Engineering Strategies for Ground Control Research
Development of Guidelines for Ground Control Under Old Workings
Laboratory and Field Study of Roof Failure Prediction in Mines
Develop Closure Rate Device for Roof Fall Prediction During Retreat Mining
Alternative Coal Waste Disposal Methods
Delineation of Abandoned Mine Workings with Microwave and Synthetic Pulse Radars
Inherently Safe Mining Method for Rock Burst Control
Improved Roof Sounding Techniques and Equipment
Guidelines for Comprehensive Rock Burst Detection Plans
Development of New Explosive Systems
Development of Head-Worn Coal Face Communication Systems
Communications Equipment for Sunshine Mine
Communications Equipment for Black River Mine
Physical Modeling of Mine Timber Fires
Explosion Testing of Bulkheads
Mechanisms of Flame and Explosion Suppression
Improved Fire Protection Hardware Demonstration
Flame Propagation Into Mine Gob Through Methane Drainage Holes
Shaft Maintenance Guidelines
Evaluation of Cracklike Discontinuities of Rollover Protective Structures
Investigations of Methane in Metal and Nonmetal Mines
Use of Large-Diameter Multipurpose Borehole for Methane Control
Use of Air Shafts for Degasification in Advance of Mining
Investigation of Available Equipment for Directional Drilling of Coalbeds
Study of the Use of Water Infusion to Control Methane
Application of Horizontal Drilling Technology to Health and Safety Problems in Mines
Personal Samplers for CO, NO, and NO_2 in Air
Electrochemical Gas Sensors for Mine Atmosphere
Evaluation of Diesel Equipment Deployment in U.S. Coal Mines
Systems Analysis of an Inherently Explosion-Proof Coal Mining Operation
Improved Coal Mine Dust Personal Sampler
Wire Rope Terminations
Physiological and Toxiological Aspects of Smoke from Sunshine Mine Fire

Instruments and Techniques for Dynamic Particle Size Measurement of Coal Dust
Cableless Electronic Surveying System for Drilling Horizontal Holes
Explosion-Proof High and Medium Voltage Connectors for In-Line and Machine Mounted Use With Underground Coal Mine Drag Cables
Finite-Element Analysis Applied to Resin and Mechanical Roof Bolting Systems for Strata-Bound Deposits
Development of a Microseismic Roof Fall Warning System
Automatic Fire Protection System for Mobile Underground Metal Mining Equipment
Develop of Mobile, Hi-Rise, Work Platform Providing Temporary Roof Support for High Roof Areas in Coal Mines
Dust Sampler Tamper-Proof Filter Cassette
Temporary Face Support System
Destressing in Advance of Mining
Automatic Fire Protection Systems for Surface Vehicles
Geophysical Hazard Detection from the Working Face
Develop and Demonstrate Improved Truck Ladders
Feasibility Study of Collected Mass Sensing by Light Reflectance
Statistical Studies--Metal-Nonmetal Mine Fatality Studies
Cable Handling in Surface Mines
Improved Highwall Stability by Improved Blasting Techniques
Centrifuge Model Testing of Coal Waste Embankments
Development of an Inclusion Gaged Sleeve for Use on an Cylindrical Pressure Cell
Tape Recording and Triggering System
Haulroad Berm, Guardrail, and Sign Design Study and Demonstration
Computer Evaluation of Surface Mine Illumination Systems
A Controlled Source Audio Magneto Telluric Measuring System
Development of a Lightweight Air Powered Drill Tool for Probe Drilling in Anthracite Mines
Testing of Arrestment Devices of Jewell Shaft of Sunshine Mine
Upgrade Stench Fire Warning System
Design and Develop Standardized Controls in Roof Bolting Machines
Flexible Liner for Use in Advancing Tailgate
Coal Mine Hazard Detection Using Synthetic Pulse Radar
High-Speed Drill Probe to Detect Underground Workings
A High-Resolution Earth Resistivity Measuring System for Detecting Shallow Mining Voids
High Concentration Dust Meter
Development of an Effective Dust Control System With Secondary Ventilation on a Boring Machine
Coupler Interface Unit for Robena Mine
Infrared Borehole Imaging Probe
Design and Testing of Joining Sleeves for Trailing Cable Ground and Pilot Wires
Standarization of Requirements for Cables for Face Equipment
Factory Integration of an Illumination System into High Coal Seam Mining Machinery
Illumination of a Conventional Slope Under Construction
Improved Light Scattering Dust Monitor
Training System for Mine Hoist Operators
Design, Develop, and Fabricate NO_2 and NO_x Field Sampling Kits
Development of Noise Control Technology for Jumbo Drills
Thixogelled Halon-Dry Powder Fire Suppressants
Poisoning of Catalytic Methane Sensors
Study Air Compressor Hazards in Underground and Surface Mines
Evaluation of the Bureau of Mines Postdisaster Survival and Rescue Program
Power Sources for Mining Applications
Improved Ground Control Safety in the Stone, Sand, and Gravel Industries

Environmental Test Criteria for the Acceptability on Mine Instrumentation
Field Evaluation of Resiliently Clad Screen Decks
Wire Hoist Rope Horizontal Axial Fatigue and Tensile Testing Machine
Reduction of Pollutants from Engines Operated Underground
Development of Zone-Type and Single-Unit Visual Display System
Investigation of Direct Airborne Noise Generated During Coal Cutting
Delineation of Geologic Roof Hazards in Selected Coalbeds in Eastern Kentucky
Demonstration of Coal Mine Illumination Systems
Low Temperature Testing of Rescue Breathing Apparatus
R&D of New Miner Orientation Programs
Detection Instrumentation for Cable Shield Defects
Development of Innovative Techniques in Trolley Wire Line Power Distribution
Feasibility of Controls System Automation for a Drum Head Continuous Coal Mining Machine
Design of New Railroad Truck Assemblies for Underground Coal Mine Cars
Cost-Benefit Analysis of Appied Health and Safety Research Development Projects in Coal and Metal and Nonmetal Mining
Evaluation of Leaky Feeder Communication Systems in Underground Mines
Surface Chemical Technology for Improved Wetting of Coal Dust
Dredge Safety Hazard Analysis
Field Test of Deep Cutting Double Arm Shearer
Demonstration of a Dust Control System for Boom-Type Readheaders
Postdisaster Communication Techniques
Investigation of Electromagnetic Fields in Mine Environments
Development of Tests and Criteria to Evaluate Grounding Systems
Assessment of Thin Seam Mining System Technology
Coal Waste Dewatering Systems
Model Demonstration of Performance Characteristics of Drainage Structures Under Various Designs for Safety of Mine Waste Impoundments
Airborne Dust From Taconite Tailings
Precalculation of the Effect of Fires on the Ventilation System of Mines
Technical Investigation to Develop Design Criteria for Optimum Size of Oil and Gas Well Blocks
Considerations for the Certification of Blasters
Design Entry Configurations and Ground Support for Longwall Panel Development
Dust Control for Haul Roads
Energy Storage and Power Averaging Concepts Applicable to Mining Machines
Mine Roof Presupport by Forepoling (Spiling) Design Feasibility
The Impact of Eliminating Safety Fuse From Metal-Nonmetal Fires
An Annotated Bibliography of Metal and Nonmetal Fires
In-Mine Testing for Wetting Agent Effectiveness
A Research Study of Coal Mine Rock Reinforcement
Rock Preconditioning to Prevent Rock Bursts
Develop Grounding Practices for Metal-Nonmetal Mines
Development of Guidelines for Installation and Maintenance of Mine Illumination Systems
Hoist Signaling Monitor and Display System
Phone Line Signal Propagation in Coal Mines
Statistical Survey of Miners
Study of Respirable Dust Outby the Working Face of a Coal Mine
Study the Effect of Underground Environment and Loading Conditions on Noise Levels of Coal Mining Equipment
Time Domain Reflectometry Microcomputer Testing
Electrical Practices in Metal-Nonmetal Mines

Development of Guidelines for the Performance Evaluation of Gas Detection Devices
Determination of Flyrock Range as a Function of Shot Conditions
Assessment of Effectiveness of Janelid Ventilation System with Tracer Gas
Design to Specification and Fabrication of VHF Transmitters and Baseband Receivers
Ground Fault and Overcurrent Protection Criteria for Coal Mine AC Distribution
Auto Detection Algorithm for MSHA's Seismic Location System
Feasibility Study of Collected Mass Sensing by Light Reflectance
Statistical Studies--Metal-Nonmetal Mine Fatality Studies
Cable Handling in Surface Mines
Investigation of Emission Controls for Turbocharged Diesel Engines Operated Underground

Conservation and Development

FY 1984

The following is a list of 135 research projects funded in FY 1984:

Geotechnical Technology to Reduce Mine Development Lead Time for Strategic Minerals Production
Structural Characterization for Deep Mine Accessways
Mining With Backfill
Continuous Linings for Mine Haulageways
Advanced Concepts for Mining Deep Ore Bodies
Flexible Tendon Ground Stabilization Concepts
Innovative Materials Transport Concepts
Fragmentation of Hard Abrasive Rock
Application of Water Jet Technology for Selective Mining in Underground Mines
Optimized Equipment Use in Surface Mines
Enhanced Drilling Concepts
Thermal Fragmentation Concepts
Well Construction and Completion Techniques for In Situ Leaching
Fluid Flow, Detection, and Control
Investigation of Use of Acoustics to Determine Geophysical and Geotechnical Properties of Rock
Efficient Design Criteria for Improved Blast Initiation
Geomechanics and Longwall Mining Method for Thick Coal Seams
Mine Roof Support Studies
Cutting and Boring
Underground Coal Mining Systems (Completion of Equipment Testing)
Hydraulic Transport Research Facility (Complete Mothballing)
Longwall Automation
Investigation of In-Mine Support Functions for Thick and Steeply Pitching Seams
Numerical Analysis Methods--Advancing Longwall-Packwall Interaction Study
Coal Mining With Backfill
Fundamental Hydraulic Coal Fragmentation
Prediction and Control of Acid Drainage at Surface Mines
Reducing Acid Mine Drainage by Inhibition of Bacteria
Generic Modeling of Waste Embankments and Backfill Structures
Geotechnical Characteristics of Mine Waste Structures
Investigation of Geophysical Methods for Measuring Hydrologic Variables
Dewatering Strategies for Mines in Fractured Formations
Controlled Burnout of Coal Waste Banks

Renton No. 1 Mine Fire, Allegheny County, PA
Characterization of Surface Subsidence Over Underground Mines
Subsidence Reference Guide
Subsidence Prediction Techniques for Underground Coal Mines
Tri-State Demonstration Project Management
Revegetation Reference Guide
Reclamation of Wetlands--Florida
Economic Effects of Subsidence From Underground Coal Mining on Agriculture
Subsidence Monitoring and Subsidence Investigation at Danville, IL
Theoretical Modeling of Injection-Pressure Signatures for Pumped Slurry Backfill
BOM-EPA Interagency Agreement for Thermal Mapping
Concepts of Highwall Removal and Approximate Original Contour Restoration
Surveying and Monitoring of Mine Subsidence at the Warwick No. 3 Mine
Demonstration of Raise Driving at the Schwartzwalder Mine Using the Swedish Long-Hole Technique
Compact Service Hoist System for Underground Metal and Nonmetal Mines
Compact Loader-Trammer for Underground Metal and Nonmetal Mines
Improved Crowd Limit Switches and Greenhorns for Electric Shovels
Testing of a Mine Run Rock Conveying System
Open Pit Ore Pass Design Manual
Pillar Design for Vertical Crater Retreat Mining
Placement and Evaluation of High-Modulus Backfill
Kinetic Modeling of Uranium Solution Mining
Geologic Factors Effecting Vibrations From Surface Mine Blasting
Oversize Breaker for Use with Portable Crushers
Study and Evaluation of Geologic Site Investigations for Tunnels
Support of the Continuing Activities of the U.S. National Committee on Tunneling Technology
Support of Continuing Activities of the U.S. National Committee for Rock Mechanics
Participation in the Maintenance of the Cold-Regions Research and Engineering Laboratory at Fox, AK
Investigation of Borehole Mineral Assaying Technology
Longwall Mining Steep Seams
Demonstration of Shield Type Longwall Supports
In-Mine Trial of Longwall Multilift Mining
Water Jet Assisted Cutterhead for Coal Measure Rocks
Operation of Mine Equipment Test Facility
Characterization of Subsidence Over Pillar Extraction Panels
Characterization of Subsidence Over Longwall Panels
Hopper-Feeder Bolter
Automated Bridge Conveyor Train
Coal Injector for Coarse Slurry Transport
Variable Wall Miner System
Minos Mine Monitoring System Site
Industry Assessment of Minos Mine Monitoring System
Minos
Appraisal of Models in Coal Management
Advanced Coal Extraction System
Coal Mine Productivity
Dynamic Coalbed Reservoir Measure
Methane Gas Mine Inflow Prediction
Concentration Sensor For Coal-Water Mixture
Flywheel-Powered Shuttle Car
Umbrella Miner
Monorail Bridge Conveyor
Hydrotransport Boost Pump Development
Coal Injector
Returning Coal Waste Underground

Jet Boost Pump for Hydraulic Transport
Demonstration of Longwall Mining
Near Mine Stimulation Techniques
Evaluation of Cross Ridge Mountaintop Mining
Potential Recoverable Anthracite Resources
Miner-Bolter System
Surface Mining Optimization Model
Continuous Surface Mining Machine Using Impact Breakers
Optimal Multiple Seam Dragline
Study of the Hydrology and Water Quality of Watersheds Subjected to Surface Mining
Investigation of Mechanics of Acid Mine Formation in Underground Coal Mine Drainage
Treatment of Mine Drainage From Abandoned Mines by Biological Iron Oxidation and Limestone Neutralization
Premine Prediction of Acid Drainage Potential
Effects of Coal Mine Subsidence on Ground Water Aquifer in Northern Appalachia
Impact of Mining on Ground Water in the Globe-Miami Copper Mining District
Evaluation of Best Management Practices for Solid Mining Waste
Monitoring of Ground Water in the Tucson Copper Mining District
Developing a Slurry Fill for Modified In Situ Oil Shale Mining
Investigations of the Flow Characteristics of Mine Tailings
Investigation of the Geochemical and Hydrological Transformation in Backfilled Uranium Mines
Instrumentation for Remotely Detecting the Placement of Injected Backfill
Cone Piezometer Field Test
Removing Heavy Metal Pollutants From Runoff Water Draining Lean Copper-Nickel Ore Stockpiles
Demonstration of Aquifer Dewatering Coordinated With Planning and Development of a New Underground Coal Mine
Development of a Dewatering System for Controlling Fracture Dominated Inflow for Acid Mine Drainage Abatement
Development of Environmentally Attractive Leachants
Tug Valley Flood Study
Water Purification with Cyanobacteria
Surveying and Monitoring of Mine Subsidence at the Shoemaker Mine
Development of an Integrated System of Monitoring for the Detection of Imminent Subsidence
Surface Coal Mine Spoil Stability Study, Eastern Coal Province
Development of Preliminary Predictive Model for Room and Pillar Subsidence
Enhancing Short and Long-Range Availability of Nitrogen and Phosphorus on Topsoil-Deficient Mine Spoil
Breeding of Improved Grasses for Mined-Land Reclamation
Development of Systems for Leveling and Contouring Abandoned Spoil Banks
Computer Simulation Model for Surface Mine Reclamation Planning
Development of Modular Irrigation Systems for Reclaimed Strip Mined Lands
Production, Engineering, Development, and Demonstration of the Draft Power Sensor
Reclamation of Tailings Basins Resulting From Copper-Nickel Milling
Study of the Effects of Subsidence from Multiple Seam Coal Mining
Impact of Surface Mining on Soil Compaction in the Midwestern United States
Determine Effectiveness of Dust Controls for Unpaved Mine Roads
Fatigue Tests in Full-Scale Block Walls
Florida Phosphate Mine Reclamation

Monitoring of Phosphate Mining Area in Central Florida Using Landsat Satellite Imagery
Technology for Control of Environmental Noise From Off Road Haul Trucks
Influence of Rock Mass Discontinuities on Coal Mine Subsidence

FY 1983

During FY 1983 there were 239 total projects. The following 23 projects were initiated:

Conservation of Land Resources During Development of Strategic Mineral Deposits in Southwestern Montana
Delineation of Subsurface Voids and Subsidence Potential
Reducing Acid Mine Drainage by Inhibition of Bacteria
R&D Support for Control of Coal Waste Fires
Mining With Backfill
Advanced Concepts for Mining Deep Ore Bodies
Flexible Tendon Ground Stabilization Concepts
Generic Modeling of Waste Embankments and Backfilled Structures
Geotechnical Characteristics of Mining Waste Structures
Conservation of Land Resources During the Mining and Processing of Strategic Metals
Monitor Local Hydrology Near Longwall Mines
Fluid Flow, Detection, and Control
A Slurry Feeder for Hydraulic Transport of Phosphate Ore
Assessment of Seabed Mining
Mine Technology Impacts on the Development of Domestic Resources of Critical and Strategic Minerals
Followup of Thailand Symposium on Oil Shale-Lignite Held February 1982
Development of an Integrated System of Monitoring for the Detection of Imminent Subsidence
Water Purification With Cyanobacteria
FY 1983 Florida Phosphate Mine Reclamation
Investigation of Borehole Mineral Assaying Technology
Variforce Excavation Technique
Demonstration for Sealing and Closure of Abandoned Mine Shafts in Cherokee County, KS
Symposium on Coal and Lignite in Indonesia

The following 126 projects were concluded:

Design Procedures for Increasing Recovery of Evaporite Deposits
Geotechnical Factors in Undercut Cave Mining
Correlation of Geotechnical Factors to Massive Rock Failures
Analysis Systems for Mineral Deposit Delineation, and Control of Extractive Processes
Delineation of Subsurface Voids and Subsidence Potential
Determination of Post-Coal-Mining Problems in the Powder River Basin
Research Management and Planning System (RMAPS)
Conservation of Land Resources During Development of Strategic Mineral Deposits in Southwestern Montana
Information Center for Subsidence Data Technology
Preneutralization Oxidation of Iron in Treatment of Acid Mine Drainage
Analysis of Water Quality and Flow Patterns
Water Handling Procedures for Reducing Acid Formation in Underground Mines
Mine Sealing Studies
Mine Technology Impacts on the Development of Domestic Resources of Critical and Strategic Minerals

R&D Support for Control of Coal Waste Fires
Turner-Douglas Project on Controlled Burnout
Study of Continuous Excavation in Open Pits
Identification of Constraints to Productivity and Energy Efficiency Improvements in Truck Haulage
Testing of Mine Run Rock Conveyor System
Mobile Low-Profile Crusher for In-Pit Sizing of Material
Shaft and Support Design Criteria
Structural Evaluation of a Circular Concrete-Lined Shaft
Advanced Reclamation Systems
Computer Supported Analysis of Surface Reclamation Systems
Methods for Assessing the Effects of Compaction to Materials Handling of Mine Spoil
Conservation of Land Resources During the Mining and Processing of Strategic Metals
Monitor Local Hydrology Near Longwall Mines
Development and Evaluation of Mine Waste Disposal Systems
Systems Approach to Minimizing Mine Waste Disposal Problems
Mining Under Saturated Soils and Wastes
Laboratory Testing of a Drill-Split Fragmentation System Concept
In Situ Leaching in Unsaturated Deposits
A Slurry Feeder for Hydraulic Transport of Phosphate Ore
Feasibility of Recovering Ore Values From Open Pits by Borehole Mining
Feasibility of In Situ Leaching to Recover Manganese
Fugitive Dust
Underdrain Placement for Hazardous Slopes and Embankments
Cold Climate Reclamation
Minimization of Mine Subsidence Effects
Elimination of Runoff Accumulation at Mine Waste Disposal Sites
Drainage Control for Western Metal Mines
Assessment of Seabed Mining
Determination of the Effect of Blasting on Pillars
United States-Phillipines Coal-Lignite Symposium
Comparison of the Effects of Various Soil Handling Equipment on the Density of Prime Farmland Subsoils
Surveying and Monitoring of Mine Subsidence at the Shoemaker Mine
The Use of a Baffled Rotating Tubular Reactor in the Flocculation Dewatering of Florida Phosphatic Clay Wastes
Testing and Evaluating the Characteristics of Northern Peat for Reclamation
The Concentration of Impurity Elements From Copper Reverberatory Slags
Demonstration of Underground Disposal of Coal Mining Wastes in an Active Mine
Development of Environmentally Attractive Leachants
A Borehole Probe for In Situ X-Ray Diffraction Analysis
State-of-the-Art Environmental Assessment of Onshore Disposal of Managnese Nodule Rejects
Study of Stability Problems and Hazard Evaluation in the Tri-State Mining Area (Kansas)
Study of Stability Problems and Hazard Evaluation in the Tri-State Mining Area (Missouri)
Reclamation of Tailings Basins Resulting from Copper-Nickel Milling
Water Supply and Pollution Problems Associated With the Mesabi Range Iron Ore Mining Industry
Mine Waste Location by Satellite Imagery
Development of Systematic Waste Disposal Plans
Dust Control on Active Tailings Ponds
Determine the Impact of Longwall Mining on the Hydrological Balance
Control of Scale and Heavy Metal Recovery in Geothermal Systems
IEA Mining Technology, Clearinghouse

Cross Ridge Mountaintop Haulage
DCM Program Support
Foreign Technology Literature Search
Ice Backfill
Egress Strata Consolidation
Longwall Panel Subsidence Characterization
Returning Coal Waste Underground
Develop Highwall or Outbound Haulage
Improved Resource Characterization of Coal Mining Including Reporting Requirements Checklist
Dozer Trap
Miner-Bolter Automatic Bolter Module
Evaluation of Cross Ridge Mountaintop Mining
Borehole Mining
Application of Hydraulic Borehole Apparatus
Develop Conceptual Designs for Peat Production System
Demonstration of Continuous Excavator Equipment for Overburden Removal
Shotcrete Lining System Demonstration
Optimal Terrace Pit System
Highwall Mining Equipment
Development of New Blast Designs to Increase Dragline Stripping Rates
Surface Mining Optimization Model
Dynamic Coalbed Reservoir Measure
Acmer Miner
Longwall Conveyor System
Mining Pitching Coal Seams
Supportless Mining System
Microbiological Factors Influencing Reclamation Success
Slurry Transport Systems in Longwall Mining
Mine Shaft Lining
Construction Management Services
High Voltage Transformer
Bidirectional Auger
High Speed Drilling
Auto Track Bridge Conveyor Phase III B
Continuous Shaft Lining System
High Volume Hydraulic Mining
Coal Injector--Coarse Slurry Transport
Duty Cycle Investigations--Continuous Miners
Extensible Bridge Conveyor
Miner-Bolter System
Computerized Training System
Face to Face Moves of Longwall Equipment
Research Needs of Surface Mining Industry
Western Coal--Self Heating Properties
Monitoring Mining Equipment Hydraulics
Coal Refuse Disposal Survey
Development of Large-Diameter Percussive Jets
Open Pit Haulage System
Advanced Systems Development for Underground Mining of Coal
Study of Selected Coal Mining Systems
Feasibility, Underground Coal Preparation
Optimal Haulback Mining Process
Multiple Life Longwall Subsidence
Increased Capacity Shuttle Car
High Reliability Miner Hydraulic System
Longwall Mining Demonstration
Subsidence Over Longwall Mining Panels
Mechanical Anchor Bolter Module
Low Coal Resin Bolter Module

Automated Rail Haulage
Design for HTRF
Enlightened Slurry
Internal Friction--Wire Rope

FY 1982

During FY 1982 there were 164 total projects. The following 48 projects were initiated:

Underground Placer Mining: System for Breaking Permanently Frozen Gravel
Hydraulic Mining Demonstration
On-Line Mineral Analysis System (Technical Assistance)
Identification of Constraints to Productivity and Energy Efficiency Improvements in Truck Haulage
Testing of Mine Run Rock Conveyor System
Optimized Equipment Use in Surface Mines
Evaluation of Borehole Mining Phosphate
Feasibility of Recovering Ore Values From Open Pits by Borehole Mining
Application of Water-Jet Technology for Selective Mining in Underground Mines
Improved Drilling and Recovery Systems for In Situ Mining
Feasibility of In Situ Leaching to Recover Manganese
Coal Waste and Mine Hydrology Technology Development
Determination of Post-Coal-Mining Problems in the Powder River Basin
Analysis of Water Quality and Flow Patterns
Water Handling Procedures for Reducing Acid Formation in Underground Mines
Techniques to Improve Underground Mine Fill Characteristics
Geophysical Methods for Measuring Hydrologic Variables
Computer Modeling of Mine Dewatering in Fracture Dominated Aquifer Systems
Underdrain Placement for Hazardous Slopes and Embankments
Environmental Considerations of Hydraulic Borehole Mining of Kaolin Clay
Environmental Constraints for Quarry Operators in an Urban Environment
Demonstration of Surface Mining Reclamation Techniques in the Powder River Basin
Room and Pillar Subsidence Monitoring
Tri-State Demonstration Project
Method for Assessing the Effects of Compaction to Materials Handling of Mine Spoil
Reclamation of Wetlands-Florida
Cold Climate Reclamation, Midwestern United States
Determination of the Effect of Blasting on Pillars
United States-Thailand Oil Shale-Lignite Symposium
Development of Baseline Hydrolocal Data at Selected Mines for the Evaluation of Tailing and Management Practices
Development of Modular Irrigation Systems for Reclaimed Strip Mine Land
Economic Effects of Subsidence From Underground Coal Mining on Agriculture
Subsidence Monitoring and Subsidence Investigation at Danville, IL
Theoretical Modeling of Injection-Pressure Signatures for Pumped Slurry Backfill
BOM-EPA Interagency Agreement for Thermal Mapping
Concepts of Highwall Removal and Approximate Original Contour Restoration

United States-Phillipines Coal-Lignite Symposium
Florida Phosphate Mine Reclamation
Fatigue Tests of Full-Scale Block Walls
Investigation of Geochemical and Hydrological Transformations in Backfill Uranium Tailings
Comparison of the Effects of Various Soil Handling Equipment on the Density of Prime Farmland Subsoils
Demonstration of Aquifier Dewatering Coordinated With the Planning and Development of a New Underground Coal Mine
Study of the Effects of Subsidence from Multiple Seam Coal Mining
Premine Prediciton of Acid Drainage Potential
Support Services for Investigative Drilling Contract
Cone Piezometer Field Test
Surveying and Monitoring of Mine Subsidence at the Warwick No. 3 Mine
Surveying and Monitoring of Mine Subsidence at the Shoemaker Mine

The following 61 projects were concluded:

Underground Placer Mining: System for Breaking Permanently Frozen Gravel
Effects of Strata Bridging on Ground Control Around Longwall Panels
Underground Vein Mining (Technical Assistance)
Underground Mining Technology Assessment
Hydraulic Mining Demonstration
Fragmentation Technology Assessment
On-Line Mineral Analysis System (Technical Assistance)
Improved Shovel Performance
Surface Mining Technology Assessment
Unloading Frozen Ore From Railway Cars
Technology Assessment and Transfer for Water-Jet Mining
Evaluation of Borehole Mining Phosphate
Improved Drilling and Recovery Systems for In Situ Mining
Use of Clay Stabilizers to Prevent Permeability Losses
Coal Waste and Mine Hydrology Technology Development
Regional Planning for Coal Resource Development While Maintaining Hydrologic Integrity
Controlled Burnout of Fire in an Abandoned Coal Mine-Calamity Hollow
Improved Hydraulic Methods for Coal Waste Disposal
Wastewater Monitoring Techniques for Noncoal Mining Tailings
Designs of Impoundments to Prevent Ground Water Contamination from Mining Operations
Engineering Properties of Managenese Nodule Rejects
Environmental Considerations of Hydraulic Borehole Mining of Kaolin Clay
Environmental Constraints for Quarry Operators in an Urban Environment
Surface Mine Reclamation Technology
Analysis of Subsidence Data From Solution Mining
Demonstration of Surface Mining Reclamation Techniques in the Powder River Basin
Reclamation (Technical Assistance)
Fugitive Dust Characterization and Quantification Related to Mining
Specialized Reclamation Equipment
Determination of the Effect of Blasting on Pillars
The Effect of In Situ Retorting on Oil Shale Pillars
Conceptual Design and Development of a Dry Land Sodding Reclamation System
Development of a Piezoelectric Polymer Ultrasonic Transducer
Impact of Proposed Lignite Mining in West Tennessee
Biological Oxidation of Iron(II) by T. Ferrooxidans in a Sequencing Batch Reactor
United States-Thailand Oil Shale-Lignite Symposium
Minimization of Ground Water Contamination in Surface Mine Backfills

Analysis and Development of Selective Overburden Handling Mining System
Standards on the Measurement of Human Acceptability of Blast Noise
Evaluation of an In Situ Neutron Activation Borehole Probe in Reclamation Studies
Establishment of Associative Nitrogen Fixing Grasses on Metal Mine Tailings
Comprehensive Planning to Optimize Postmining Land Use Utilizing Water Harvesting
Investigation of the Subsidence and Surface Collapse Features in Reclaimed Surface Coal Mine Spoils
Technical and Economic Feasibility Study of Using Cemented Backfill in Active Underground Mines to Prevent Subsidence
Analysis of Ground Water Criteria and Recent Restoration Attempts After In Situ Uranium Leaching
Contamination of Ground and Surface Waters by Uranium Mining and Milling
Pilot Scale On-Site Evaluation of Activated Carbon for Rapid Oxidation of Ferrous Iron in Acid Mine Water
Development of a Load-Haul-Dump Tree Clump Transplanter Attachment
Predicting Mine Water Inflow and Impact on District Hydrology
Field Test for Environmental Disposal of Mill Tailings in Backfill
Inventory of Waste Embankments, Surface and Underground Openings, Metal-Nonmetal Active Mines
Assessment of Ground and Surface Water Effects Around Coal and Mineral Storage Areas
Guidelines for Front-End Loader LHD Application
Determination of the Optimum Topsoil Depth Requirements for Surface Coal Mined Areas Within the Northern Great Plains Coal Province
Monitoring and Modeling of Shallow Ground Water in the Powder River Basin
A System Approach to the Reclamation of Strip-Mined Areas in North Dakota--Phase IV
Feasibility of In Situ Leaching Metallic Ores Other Than Copper and Uranium
Developing a Slurry Fill for Modified In Situ Oil Shale Mining
Laboratory Experiments to Determine the Roof Behavior of Auger Mining With Aerostatic Controls
Investigation of the Mechanics of Mine Acid Formation in Underground Coal Mine Drainage
Support Services for Investigative Drilling Contract

FY 1981

During 1981 there were 223 total projects. The following 47 projects were initiated:

Characterization of Airborne and Waterborne Toxic Elements
Determination and Evaluation of Impacts of Surface Mining on Hydrologic Systems
Regional Planning for Coal Resource Development While Maintaining Hydrologic Integrity
Reduction of Water Levels in Anthracite Mines by Surface Diversion, Water Harvesting and/or Stage Drainage
Determination of Trace Metals and Priority Pollutants in Coal Mine Effluents and Related Waters
Roof Collapse Procedures to Control Acid Mine Drainage
Control of Water Pollution by Removing Silicon Carbide from Granite Sludges
Preventing Hydrologic Degradation From Phosphate Mining in North Carolina
Control of Hazardous Alkalies From Cement Kiln Dust
Characterization of Potential Manganese Nodule Processing Rejects

Abating Pollution From Lead Tailings Piles in Southeast Missouri
Environmental Needs in Strategic Minerals Production
Borehole Mining Cavities for Disposal of Radioactive Mine Waste
Survey Foundry Wastes in Southeastern United States to Identify Environmental Hazards
Turbidity Control of Placer Mining Effluents
Dewatering and Detoxication Technology
Pyrometallurgical Technology
Control of Radioactive Accessory Minerals in Phosphate Flotation Tailings
Petrographic Characterization
Control of Leachable Accessory Elements From Waste Ferrous Slags
Surface Mine Reclamation Technology
Reclamation of Tailings in Sub-Alpine Environments
Land Restoration Technical Developments
Weathering and Land Reclamation
Reprocessing Uranium Tailings to Facilitate Reclamation
Surface Mine Reclamation Technology
Information Center for Subsidence Data Technology
Develop Procedures to Evaluate and Rank Candidate Sites for Subsidence Control Activities
Feasibility of the Development of a Precise Mine Blast Initiation System
Potential Environmental Problems Caused by Use of Vanadium
Environmental Constraints for Quarry Operators in an Urban Environment
Interaction With Industry on Research Programs of the Bureau and Industries Specific Problems
Environmental Assessment of Ocean Mining Technology
The Use of a Baffled Rotating Tubular Reactor in the Flocculation Dewatering of Florida Phosphate Clay Wastes
Design Engineering of a Burnout Control System for a Coal Waste Bank Fire
Containment Pond Liner Material Testing
Improved Crowd Limit Switches and Greenhorns for Electric Shovels
Demonstration of Underground Disposal of Coal Mining Wastes in an Active Mine
Treatment of Mine Drainage From Abandoned Mines by Biological Iron Oxidation and Limestone Neutralization
Study and Evaluation of Geologic Site Investigations for Tunnels
Field Test for Environmental Disposal of Mill Tailings in Backfill
Monitoring of a Phosphate Mining Area in Central Florida Using Landsat Satellite Data
Monitoring of Ground Water in the Tucson Copper Mining District
Pillar Design in Vertical Crater Retreat (VCR) Mining
Technology for Control of Environmental Noise From off-Road Haul Trucks
Determine Effectiveness of Dust Controls for Unpaved Mine Roads
Dust Control on Active Tailings Ponds
Determine the Impact of Longwall Mining on the Hydrological Balance

The following 107 projects were concluded:

Characterization of Airborne and Waterborne Toxic Elements
Determination and Evaluation of Impacts of Surface Mining on Hydrologic Systems
Reduction of Water Levels in Anthracite Mines by Surface Diversion, Water Harvesting and/or Stage Drainage
Determination of Trace Metals and Priority Pollutants in Coal Mine Effluents and Related Waters
Roof Collapse Procedures to Control Acid Mine Drainage
Control of Water Pollution by Removing Silicon Carbide From Granite Sludges

Preventing Hydrologic Degradation From Phosphate Mining in North Carolina
Control of Hazardous Alkalies From Cement Kiln Dust
Tailings Pond Research and Testing Facility
Controlled Burnout of Coal Waste Bank Fires at Moss No. 1 Preparation Plant
R&D Support for Burnout Control of Fires on Abandoned Coal Mine Lands
Abating Pollution From Lead Tailings Piles in Southeast Missouri
Environmental Needs in Strategic Minerals Production
Borehole Mining Cavities for Disposal of Radioactive Mine Waste
Survey Foundry Wastes in Southeastern United States to Identify Environmental Hazards
Assessment of Environmental Impacts Associated With Byproduct Gypsum Stacks from Florida Phosphates
Turbidity Control of Placer Mining Effluents
Cleanup and Recycle Technology for Mine and Mill Wastes
Environmental Control of Mineral Processing Reagents
Modification of Mineral Processing Tailings and Wastes
Evaluating Desliming Techniques
Consolidation of Mineral Wastes to Eliminate Potential Environmental Problems
Dewatering and Detoxication Technology
Minerals Recovery From Copper-Smelting Slags
Trace Analysis and Molecular Species Determination of Acessory Elements
Recovery and Control of Accessory Minerals in the Processing of Titanium and Zirconium Ores
Accessory Mineral Distribution in Lead Smelting
Pyrometallurgical Technology
Characterization of Accessory Minerals
Recovery of Accessory Minerals in Hydrometallurgical Processes
Application of Inorganic Ion Exchangers to Metallurgy
Physical Chemistry of Metallurgical Process Engineering
Control and Recovery of Accessory Minerals in Lead and Zinc Processing
Control of Radioactive Accessory Minerals in Phosphate Flotation Tailings
Petrographic Characterization
Control of Toxic Elements in Leaching Processes and Waste Streams
Control of Leachable Acessory Elements From Waste Ferrous Slages
Identification of Revegetation in Arid-Semiarid Regions
Reclamation of Tailings in Sub-Alpine Environments
Stabilization of Mining and Minerals Processing Wastes
Effects of Topsoil Stockpiling and Water Collection Systems of Mined Land Reclamation in an Arid Climate
Land Restoration Technical Developments
Identification of Reclamation Problems in Metal and Nonmetal Mines in Alaska
Electrokinetic Treatment for Sediment Pond Abandonment
Weathering and Land Reclamation
Reprocessing Uranium Tailings to Facilitate Reclamation
Surface Mine Reclamation Technology
Stress Research Applied to Mine Design and Subsidence Control
Laboratory Determination of Design Parameters for Rock and Their Application to Mine Design and Subsidence Control
Develop Procedures to Evaluate and Rank Candidate Sites for Subsidence Control Activities
Instrumentation for Surveying Cavities Created by Borehole Mining
Analysis of Deformation and Stability of Surface Coal Mine Spoil
Application of Noise Abatement Techniques to Mine Environmental Noise Problems
Control of Blast Noise and Vibration from Contour Mining of Coal in Appalachia

Particulate Mineralogy Unit
Electromagnetic Drying of Fine Coal for Minimizing Environmental Degradation by Airborne Dust
Potential Environmental Problems Caused by Use of Vanadium
Mine Waste Management Technology Development (Technical Assistance) (seven projects)
Environmental Constraints for Quarry Operators in an Urban Environment
Minerals Research: Research Management and Planning System (RMAPS)
Interaction With Industry on Research Programs of the Bureau and Industries Specific Problems
Environmental Damage Assessment for In Situ Mining
Environmental Assessment of Ocean Mining Technology
Environmental Aspects of Mining in Minnesota and Wisconsin
Analysis of Compliance Alternative Related to Surface Mining Act
International Congress of Energy and Ecosystem--Economics, Ecology, and Planning of Coal Resource Development
Effect of Selective Replacement of Coal Surface Mine Overburden Strata on Soil and Hydrology Relationships
Technology for Environmental Noise Control in Surface Mines
United States Thailand Oil Shale-Lignite Symposium
Field Test for Environmental Disposal of Mill Tailings in Surface Backfill
Study of Water Handling Procedures for Reducing Acid Formation in Underground Coal Mines
Development of a Field Guide for Reclamation Planning and Pollution on Small Sand and Gravel Mining Operations
Development of a Field Guide for Reclamation Planning and Pollution Control on Small Sand and Gravel Mining Operations
Evaluation of Lixiviation of Mine Wastes
Control of Water Pollution from Surface Mining Operations
Development of Methods for Reclaiming Abandoned Tailings Ponds and Dams
Earthworks: Land Reclamation as Sculpture
Conceptual Designs of Retaining Structures for Open Pit Backfilling
Environmental Monitoring Program for the Bear Creek Hydraulic Borehole Mining Demonstration Test
Environmental Instrumentation in Mining-Air and Water
Detailed Design and Demonstration of Underground Disposal of Coal Mining Waste
Detailed Design and Demonstration of Underground Disposal of Coal Mining Waste
Environmental Technological Assessment for Peat Development on Block Island, Rhode Island
Design and Development of Area Terrace Pit Mining Systems
Environmental Effects of Slaking of Surface Mine Spoils
Improved Interburden Handling Techniques at Multiseam Dragline Operations to Enhance Reclamation Practices
Feasibility Study of Partial Flooding in Mined Out Areas for Mine Drainage Abatement
Engineering Property Changes and Environmental Effects on Coal Mine Wastes Due to Slaking
Technical and Economic Evaluation of Mine Closure Procedures
Backfilling of Cavities Produced in Borehole Mining Operations
Haul Road Dust Emissions Factors
Abandoned Mine Reclamation - A Case Study at Live Oak, Florida
The Impact of Surface Lignite Mining on Surface and Ground Water Quality in Texas
Development of Dragline Techniques for Recontouring Mine Spoil Banks
Site Specific Investigation of Environmental Problems Associated with Mining of Heavy Oil and Tar Sands
Undercut and Fill System for Pitching Coal

Improved Topsoil Handling Techniques
Borehole Mining: An Environmentally Compatible Method for Mining Oil Sands
Feasibility of Water Diversion and Overburden Dewatering
Outcrop Barrier Design for Applachian Coal Mines
Land Use Planning Study for the Crow Indian Tribe in Southeastern Montana

Minerals and Materials Research

FY 1984

The following is a list of 90 research projects funded in FY 1984:

Flotation Fundamentals
Minerals and Metals Recovery in Fine Particulate Systems
Alternate Methods for Mineral and Metallurgical Processing
Cobalt Recovery From Domestic Sources
Minerals Thermochemistry
Chemical Treatment of Complex Sulfides
Gallium, Germanium, and Vanadium From Domestic Resources
Cobalt and Nickel From Missouri Lead Ores
Improved Alumina Processing Technology
Platinum and Associated Metals From Stillwater Complex Ores
Particulate Mineralogy Unit
Beneficiation of Dolomitic Phosphate
Lithium From Clay
Carbochlorination of Domestic Clay
Appraisal of Critical Minerals From Northwestern and Alaskan Resources
Sampling Potential Alaskan Critical Mineral Deposits
Chromite and Chromium From Low-Grade Disseminated Domestic Resources
Comminution Principles
Improved Efficiency Anode Technology
Solvent Extraction Fundamentals
High-Temperature Thermodynamics and Kinetics
Recovery and Reuse of Chlorine From Ferric Chloride
Minerals Process Water Reclamation Chemistry
Carbonyl Recovery of Critical Metals and Minerals
Recovery of Fluorite From Marginal Resources
Improved Precious Metals Recovery
Titanium Recovery From Domestic Perovskite Ores
Separation of Metal Salts by Acid and Ammine Solubility
Dielectric Separation of Minerals
Chemical Separation Processes for Complex Ores
High-Pressure Processing of Complex Ores
Selective Dielectric Heating of Ore Minerals
Strategic Metal Provenance Correlation With Mill and Smelter Product Analysis
Short-Pulse Dielectric Heating of Minerals
Beneficiation of Ultrafine Sulfides
Basic Heap-Leaching Chemistry
Molten Metal Reaction Media
Metal-Gas Reactions in Thermal Plasmas
Biologically Assisted Mineral Processing
Dehydration of Aluminum Chloride Hexahydrate
Improved Arc-Stability in Electric Furnace Steelmaking
Beneficiation of Slightly Soluble Minerals
Direct Electrowinning of Gold
New Base-Metal Leach Systems
Beneficiation of Oxide Ores

Columbium and Coproduct Critical Materials From Arkansas Ores
Salt-Free Aluminum Remelting Technology
Fundamental Corrosion Technology
Dewatering of Mineral Processing Slimes by Flocculation
Recovery of Nickel, Cobalt, and Chromium From Stainless Steel and Superalloy Wastes
Use of Sulfur in Chemical and Mineral Processing Environments
Refractories for Severe Thermal and Corrosive Conditions
Wear-Resistant Materials for Mining and Mineral Processing Applications
Improved Mineral Processing Wastewater Technology
Recovery of Phosphate From Dewatered Slimes
Substitutes for Critical Materials in Mining and Mineral Processing Applications
Improved Titanium Technology
Rapid Scrap Identification, Sorting, and Characterization
Metals Recovery From Copper, Brass, and Bronze Flue Dusts
Critical Mineral Substitutes in Refractories
Electrodeposition of Metal Composites From Powder-Solution Mixtures
Powder-Metallurgy Prepared Filters for Corrosive Process Streams
Coalescence Mechanisms of Oxide-Coated Molten Metals
Foundry Charge Materials Chemistry
Fundamentals of Acid Pickling Processes
Critical Metals Recovery From Superalloy Scrap by Formation of Intermetallic Compounds
Electrogalvanizing Utilizing Zinc Wastes
Hardfacing Alloys Containing Minimal Critical Metals
Corrosion of Grinding Media
Critical Metals Recovery From Grinding Wastes
Recovery of Cobalt and Nickel From Spent Copper-Leach Solutions
Vapor Phase Preparation of Titanium Alloy Powder
Service Behavior of New Wear-Resistant Materials
Recovery of Critical Metals From Waste Catalysts
Improved Vibration Damping Materials for Minerals Processing Operations
Recycling Zircon From Investment Casting Molds
Gallium Recovery From High-Volume Wastes
Molten Metal Filtration Technology
Recovery of High-Purity Arsenic From High-Volume Wastes
Protective Coatings of Electrodeposited Copper-Nickel Alloys
Basic Phase Relationships in Iron-Base Alloy Systems
Critical Metals Recovery From Titanium Processing Wastes
Ferrous Scrap Recycling Technology
Preparation of Tungsten Carbide From the Halide Phase
Research on Comminution Processes and Simulation
Resource Recovery of Strategic and Other Metals
Kinetics of Ferric Chloride Leaching of Galena
Simplex Gasification Demonstration in Wellman-Galusha Gasifier
Metal Recovery From Processing Wastewater
Recycling: Opportunities and Constraints

FY 1983

During FY 1983 there were 97 total projects. The following 29 projects were initiated:

Minerals and Metal Recovery in Fine Particulate Systems

Powder-Metallurgy Prepared Filters for Corrosive Process Streams
Solvent Extraction Fundamentals
Coalescence Mechanisms of Oxide-Coated Molten Metals
Recovery of Byproduct Cobalt and Nickel From Zinc Processing Liquors
Fundamentals of Acid Pickling Processes
Dielectric Separation of Minerals
Strategic Metal Provenance Correlation With Mill and Smelter Product Analysis
Recycling Zircon From Investment Casting Molds
Protective Coatings of Electrodeposited Copper-Nickel Alloys
Metal-Gas Reactions in Thermal Plasmas
Biologically Assisted Mineral Processing
Dehydration of Aluminum Chloride Hexahydrate
Nondestructive Evaluation of Ceramic and Rapidly Solidified Alloys Materials and Joints
Joining of Silicon Nitride Based Ceramics
Joining of Rapidly Solidified Alloys
Improved Leaching Techniques
Solvent Extraction Kinetics
Treatment of Mineral Processing Wastewater
Substitution and Conservation Technologies for Critical Metals in Bearing and Components for Equipment Used in Material Extraction and Processing
Feasibility Study on Technology Transfer Seminar for Scrap Generators-Recyclers
Electrochemistry Research Needs for Minerals and Primary Materials Processing
Core Support for the Board on Mineral and Energy Resources
Studies on Minerals and Materials Research
Symposium on Electrochemistry in Minerals Processing
Identification and Separation of Scrap Metal
Preparation of Three Reports on Investigation Covering Blast Furnace Research Programs at Bruceton
Study on Availability and Composition of Metal-Bearing Wastes
Reduction of Iron Ore by Sulfur-Bearing Low-Btu Gases

The following 33 projects were concluded:

Development of Calcia Stabilized Zirconia Castable
Improved Electrolytic Metal Processing by Means of Voltammetry Techniques
Use of Fluidized Bed Electrodes in Extractive Metallurgy
Leaching of Bornite With Oxygen and Ferric Chloride as Oxidants
Tests of a Multi-Element Assay Instrument on Metal Ore Samples
Aluminum Recycling Technology Conference
Feasibility Study on Technology Transfer Seminar for Scrap Generators-Recyclers
Reduction on Iron Ore by Sulfur-Bearing or Medium-Btu Gases
Thermodynamics of Calcination
Utilization of Nickel Refining Byproducts on Agricultural Lands
Kinetics of Evolution of Arsenic Bearing Gases
Chemical Processing of Domestic Chromites
Byproduct Recovery From Phosphate Wastes
Soda Ash and Alumina From Dawsonite-Bearing Oil Shale
Precious Metals Recovery From Electronic Scrap
Alumina--Technical Assistance
Ferric Chloride Leaching of Galena Concentrates, Fused Salt Electrolysis of Lead Chloride
Tantalum and Columbium From Domestic Resources
Geobrines Minerals Recovery

Processing Complex Domestic Cobalt Ores
Tungsten Recovery From Searles Lake Brines
Surface Restoration of Minerals Processing Wastes
Recycling Materials From Scrap Automobiles
Beneficiation of Dolomitic Phosphate Ores
Uses for Phosphogypsum Wastes
Recovery of Platinum-Group Metals, Cobalt, and Nickel From Duluth Gabbro
Byproduct Recovery From Leaching of Low-Grade Copper Ores
Wet High-Intensity Magnetic Separation
Solvent Extraction Kinetics
Improved Leaching Techniques
Fundamental Research on Fractionation of Metal Chlorides
Engineering Assessment of Research Projects
Recovering Alumina From Coal Ash and Shale

FY 1982

During FY 1982 there were 152 total projects. The following 61 projects were initiated:

High-Temperature Thermodynamics and Kinetics
Recovery and Reuse of Chlorine From Ferric Chloride
Foundry Charge Materials Chemistry
Purification of Mineral Processing Waste Water for Reuse
Critical Metals Recovery From Superalloy Scrap by Formation of Intermetallic Compounds
Carbonyl Recovery of Critical Metals and Minerals
Hardfacing Alloys Containing Minimal Critical Metals
Corrosion of Grinding Media
Recovery of Fluorite From Marginal Resources
Improved Precious Metals Recovery Systems
Titanium Recovery From Domestic Perovskite Ores
Critical Metals Recovery From Grinding Wastes
Recovery of Cobalt and Nickel From Spent Copper-Leach Solutions
Vapor Phase Preparation of Titanium Alloy Powder
Wear of Mining Equipment
Solubility of Metal Salts in Acidic Chloride Systems
Assessment of Critical Metals In Waste Catalysts
Mineral Science Base--Technical Assistance
Resource Development--Technical Assistance
Surface Nitriding for Corrosion Protection of Pump and Valve Components
Fractionation of Metal Chloride Mixtures
Extraction of Alumina From Coal Ash and Shale
Engineering Assessment of Research Projects
Extraction of Critical Metals From Domestically Available Resources Using Plasma Arcs
Sampling Potential Alaskan Critical Mineral Deposits
Surface Alloying of Iron-Base Castings
Utilization of Waste Containing Zinc for Electrogalvanizing
Technical and Economic Analysis of Processes for Extracting Manganese From Domestic Ores
Alkali Resistance of Silicate Glass Fibers
Fifth Summer Field Institute on Western Energy and Materials Opportunities, Problems, and Policy Issues
Phosphate Bonding of Refractories
Workshop on Chromium Alternatives
Detoxication of Arsenic
Conference on Advances in Materials Characterization
Aluminum Recycling Technology Conference
Research on Communition Processes and Simulation

Preparation of Asbestos Substitute Multi-Strand Glass Fibers
Symposium on Alloy Phase Diagrams
Substitution of Platinum Metal Crucibles Used in the Glass Industry
Characterization of Metal Hydroxy Silicate Polymer Dispersant and Their Effect on Flotation
Evaluation of Ceramic and Refractory-Grade Raw Materials in Alabama
Low-Temperature Rapid Solidication Technology for Ceramics
Developing Domestic Mineral Resources--Technical Services
Flotation Research--Technical Assistance
Use of Ultrafine Limestone, Dolomite, and Coke or Coal as Bentonite Substitute
Alloys to Resist Hydrogen Embrittlement
Dispersion-Strengthened Alloys to Reduce Critical Material Needs
Development of a Salt-Free Aluminum Remelting Process
Precipitation Chemistry
Chrome From Tanning Wastes--Technical Assistance
Thermodynamics and Kinetics of Cobalt Reactions
Separation and Recovery of Cobalt From Hydrometallurgy Solution by Ion Exchange
Recovery of Critical and Strategic Minerals From Western Copper Ores
Refractories Research--Technical Assistance
Critical Mineral Substitutes in Refractories
Critical Metals Recovery From Grinding Wastes
Byproduct Minerals Recovery From Tar Sand Residues
Mercury Recovery as Byproduct of Precious Metals Ore Processing
Develop High-Volume End Uses From Phosphate Fertilizer Processing Waste
A Technical Review of the State-of-the-Art and Experimental Methodology for Disposal of Florida Phosphate Slimes
Continuous Dielectric Separation of Minerals

The following 32 projects were concluded:

Physical and Inorganic Chemistry in Metallurgical Process Engineering
Phase Equilibrium Studies of Refractory Oxide Systems
Beneficial Use of Sulphur in Sulphur-Asphalt Pavements
Research on Comminution Process and Simulation
The Potential Effect of Ferrous Scrap Composition Changes on the Quality of Iron and Steel Castings
Assessment of Critical Metals in Waste Catalysts
Alumina Process Feasibility Study and Preliminary Pilot Plant Design
Fluidized Cathode Cementation
Mineral Science Base--Technical Assistance
Utilization of Catalysts to Decrease Energy Requirements for the Production of Titanium From Titaniferous Materials
Resource Development--Technical Assistance
Surface Nitriding for Corrosion Protection of Pump and Valve Components
Development of Small-Scale Detinning of MSW Magnetics
Characterization of Manganese Nodules Processing Rejects
Extraction of Alumina From Clay Using Hydrochloric Acid Leaching
Tailings Pond Research and Testing Facility
Improved Zirconium-Hafnium Separation Technology
Cobalt Substitutes in Permanent Magnets
Tungsten Recovery From Low-Grade Deposits
Application of Inorganic Ion Exchange and Process Water Cleanup
Defluorinating Zinc Concentrates
Extraction of Critical Metals From Domestically Available Resources Using Plasma Arcs

Improved Soldering and Brazing Systems
Chemical Vapor Deposited Coatings for Valve Components
Chrome From Tanning Wastes--Technical Assistance
Alloys to Resist Hydrogen Embrittlement
Recovery of Potash From Low-Grade Resources
Flotation Research--Technical Assistance
Developing Domestic Mineral Resources--Technical Services
Use of Ultrafine Limestone, Dolomite, and Coke or Coal as Bentonite Substitutes
Ceramic Materials from Mineral Wastes
Thermal Processing of Ores

FY 1981

During FY 1981 there were 145 total projects. The following 54 projects were initiated:

Carbochlorination of Domestic Clay
Critical Mineral Resource Appraisal
Sampling Potential Alaskan Critical Mineral Deposits
Chemical and Physical Enhancement of Domestic Chromites
Comminution Principles
Metals Recovery From Copper Smelter Flue Dusts
Experimental Electrolysis
Chemical Methods for Producing Refractory-Grade Bauxite Substitutes
Soda Ash and Alumina Recovery From Dawsonite-Bearing Oil Shale
Small-Scale Detinning of MSW Magnetics
Miniplant Evaluation of Zirconium-Hafnium Separation Technology
Development of Domestic Resources for Refractories
Development of Domestic Resources for Alumina Refractories
Kinetics and Mechanisms of Key Metallurgical Reactions
Refractory-Grade Bauxite Substitutes
Research on Comminution Process and Simulation
Small-Scale Detinning of Municipal Solid Waste Magnetics
Fourth Summer Field Institute on Western Energy Opportunities
Flotation Machine and Froth Characteristics
Workshop on Conservation and Substitution Technology for Critical Materials
Research and Development Goals and Objectives in the Minerals Industry
Substitution of Platinum Metal Crucibles Used in the Glass Industry
Development of Chromium-Free Grades of Constructional Alloy Steels
Chromium Recovery From Tanning Wastes by Pyrolysis and Sulfuric Acid Leaching
Determination of Molecular Form, Activity, and Activity-Coefficient of Arsenic, Bismuth, and Selenium Copper Metallurgical Slags
Kinetics of the Dissolution of Galena With Ferric Chloride
Modeling and Computer Control of a Flotation Cell
Reduction on Iron Ore by Sulfur-Bearing or Medium-Btu Gases
Assessment of Critical Metals in Waste Catalysts
Definition of Problems in Solution Mining and Hydrometallurgy
Modifications of Mineral Processing Wastes
Fundamentals of Chromite Flotation
Leaching of Bauxite With Oxygen and Ferric Chloride as Oxidants
Characterization and Beneficiation of Sedimentary Phosphates
Standard Reference Materials
Tracking Tramp Elements in Scrap
Control of Hazardous Alkalies From Cement Kiln Dusts
Accessory Mineral Distribution in Lead Smelting
Thermodynamic Data for Accessory Minerals
Inorganic Grouts--Materials Study

Analytical Methods for Measurement and Characterization of Airborne Particulates
Alumina Extraction From Anthracite Culm With Energy Recovery
Evaluation of Ceramic and Refractory-Grade Raw Materials in Alabama
Gibbsite in Saprolites of East Central Alabama--Phase I
Energy Conservation in Mining Operations
Feasibility of Aluminum Sparking Control-Prevention Measures
Characterization of Airborne and Waterborne Toxic Elements
Mine Support Wall Materials Testing
Electrolytic Recycling of Scrap Batteries
Control of Water Pollution by Removing Silicon Carbide From Granite Sludges
Environmental Needs in Strategic Minerals Productions
Cleanup and Recycle Technology for Mine and Mill Wastes
Environmental Control of Mineral Processing Reagents
Surface Restoration of Minerals Processing Wastes
Control of Radioactive Accessory Minerals in Florida Phosphate Flotation Tailings

The following 51 projects were concluded:

Effect of Feed Characteristics on Hydrochloric Acid Leaching of Clay
Effect of Feed Characteristics on Nitric Acid of Clay and Solid-Liquid Separation
Thermodynamic and Kinetic Support for Alumina Research
Pollution Free Scrap Battery Technology
Recycling of Unconventional Industrial Wastes
Miniplant Evaluation of Zirconium-Hafnium Separation Technology
Evaporative Crystallization of Aluminum Nitrate Nonhydrate From Clay-Nitric Acid Process Liquor
Solids-Liquid Separation in the Clay-Hydrogen Chloride Gas Sparging Process
Decomposition of Aluminum Chloride Hexahydrate--Technical Assistance
Rare-Earth Technology
Cleanup and Recycle Technology for Mine and Mill Wastes
Citrate Process: Chemistry and Engineering
Citrate Process: Powerplant Stack Gas Sulfur Dioxide Scrubbing
Modification of Minerals Processing Wastes
Refractory-Grade Bauxite Substitutes
Ferrous Scrap and Slag Technology
Substitutes for Fluorspar in Steelmaking
Conversion of Mineral Wastes to Glass and Glass-Ceramic Products
Research on Comminution Processes and Simulation
Parameters Influencing Energy Utilization Efficiency in Grinding Gabbro Ores
Fundamentals of Chromite Flotation
Mineralogy and Size Distribution Studies of Amphibole Asbestos
Formation of Vapor Complexes Between Aluminum Chloride and Impurity Elements Associated With Aluminum Raw Materials
Development of a Corrosion-Resistant Concrete
Bound Liquid Ion Exchange Membranes for Recovery of Chromium From Waste Water
Chromium Substitution in Stainless Steel
Beneficial Use of Sulfur in Sulfur-Asphalt Pavements
Recovery of Zirconia From Zirconyl Chloride Strip Liquors
Improved Ceramic Materials for Coal Gasifier Liners
Development of Domestic Resources for Alumina Refractories
Development of Domestic Resources for Basic Refractories

Control of Radioactive Accessory Minerals in Florida Phosphate Flotation Tailings
Environmental Needs in Strategic Minerals Production
Environmental Control of Mineral Processing Reagents
Control of Water Pollution by Removing Silicon Carbide From Granite Sludges
Fundamentals of Chromite Flotation
Characterization of Airborne and Waterborne Toxic Elements
Characterization of Accessory Minerals
Pollution-Free Scrap Battery Technology
Recycling of Unconventional Industrial Wastes
Substitution for Critical Minerals Through Coatings Technology, Alloy Development, and Corrosion Research
Intercounty Study of Materials Consumption Patterns in Relation to Economic Development and Technology
Borehole Mining of Phosphate Ores
Cost and Sensitivities Analysis for Uranium In-Situ Leach Mining
Evaluation, Modification, and Application of Roadheaders in Underground Uranium Mining
Development of a Man and Supply Hoisting System For Underground Metal and Nonmetal Mines
Support for Conference on Development of Mine-Machine Design Curricula
Feasibility and Applicability of Hydraulic Mining and Transport in Underground Noncoal Mines
A Study of the Behavior of Underground Openings During Block Caving Operations
Technological Investigation of the Economic, Legal, and Social Consequences of Blasting
Evaluation of Crushing-Conveying Systems for Open Pit Mines

UNDERGROUND MINE ROOF AND PILLARS FATALITIES

Senator McClure. Fatalities due to failure of underground mine roof and pillars has increased from 31 in 1980 to 52 in 1982.

How many fatalities occurred in 1983 due to this reason?

Mr. Horton. I don't have the breakdown on roof fall fatalities. I do have the breakdown on total fatalities. I can supply the other for the record.

Senator McClure. If you would, please.

[The information follows:]

1983 Roof Fall Fatalities

According to MSHA, the reported fatalities from falls of roof and face in the mining industry in 1983 were 28. Of these, 23 were in coal mines.

UNDERGROUND FATALITIES

Mr. Horton. I could give you an indication. There are more this year through March 8, 1984. In 1983 in that same time period through March 1983 there were seven underground fatalities. This year there have been 19 fatalities.

REDUCTION IN GROUND CONTROL RESEARCH

Senator McClure. Why are you cutting research by $1.5 million in this area when it accounts for 40 percent of mine fatalities?

Mr. Horton. That $1.5 million, sir, is part of the additional funds that were added, and it is doing that additional work, completing that particular program, so that we know where to take the next step. We still have substantial expenditures in ground control.

Senator McClure. That $1.5 million was added by Congress last year, was it not?

Mr. Horton. Yes, sir.

Senator McClure. And Congress added that in recognition of the increase in fatalities and the seriousness of those fatalities as a percentage of the total. It would seem to me that the $1.5 million is going to be expended certainly before 1985 is over.

Mr. Horton. The program is likely to be completed in late 1985.

Senator McClure. Not until late 1985?

Mr. Horton. No, sir.

Senator McClure. Can you tell me why it is taking so long?

Mr. Horton. Well, to initiate it requires writing the proper work statement and then going through the proper Government procurement activity requirements before the request for proposals is issued. Then, it is the nature of the particular program that it will take about 1½ years to complete the work that we have outlined.

Senator McClure. Can you give me a progress report on that in writing?

Mr. Horton. Yes, sir.

Senator McClure. In some detail about where you stand and what the spend-out rate will be and what you expect to do with it?

Mr. Horton. Yes; we will give you a breakdown on the contracts that we are awarding in that area and why.

Senator McClure. Thank you.

[The information follows:]

Progress Report on $1.5 Million Ground Control Increase for Fiscal Year 1984

The Bureau has initiated procurement actions for five new research contracts which will address technological innovations in ground control necessary to promote safe and economic exploitation of thick and steep coalbeds in the Western United States, and to introduce to bump-prone coal mines in the Eastern United States the microseismic ground failure monitoring technique which was primarily developed for deep mines in the West. The contracts for these projects are to be awarded between June and September 1984. The projects are:

1. Geologic conditions affecting coal mine roof control in the Western United States.
2. Ground prestressing and prereinforcement concepts for development of multiple entries in coal mines.
3. Coal mine bump monitoring.
4. Focused resistivity method for detecting subsurface coal mine workings.
5. Additivies for strengthening backfill waste materials in steep coal seam mining.

Our current estimate is that these projects will all be completed by October 1985.

Three additional contracts for a total of $750,000 will be awarded by September 1984 for modernization of research center instrumentation to conduct basic ground control research.

COAL MINE METHANE IGNITIONS

Senator McClure. You state that methane ignitions in coal mines have increased to about 100 per year.

Does this indicate a failure on the part of your research?

Mr. Horton. I don't believe that coal mine ignitions have increased in recent years. We are anticipating an increase as the mines become deeper and gas problems become more common.

We are doing quite a bit of work on minimizing ignitions.

Senator McClure. On page 33 of your justification, it says, "Methane ignitions in coal mines resulting from equipment cutting into hard inclusions have now increased to about 100 per year."

Mr. Horton. I stand corrected. I am not sure what the last number was. We are doing substantial work in the area on reducing these ignitions.

Senator McClure. If you are faced with that kind of an increase, why are you proposing to continue research at the same level as last year? Has the priority of the research remained the same, even though the number of incidents are increasing?

Mr. Horton. This is—yes, the more ignitions are the result of more mining in areas where those ignitions can occur. We feel that our rate of expenditure and the number of projects we have ongoing regarding the ignition problem is appropriate, that expending additional funds will not help us solve the problem faster. We are developing new type bits, new type materials, and new mining techniques in order to minimize those ignitions.

Senator McClure. Well, each of those ignitions has the potential for a larger problem, does it not?

Mr. Horton. Indeed, it does.

Senator McClure. And you just indicated that we are getting more ignitions because there is more mining in that kind of material where that kind of condition exists. That is likely to continue, is it not?

Mr. Horton. Yes.

Senator McClure. Then we are going to see more rather than less of these types of incidents, is that not correct?

Mr. Horton. Yes, sir.

Senator McClure. It would seem to me that that would indicate a need to increase activity to solve a problem which, admittedly, is on the increase.

But you indicate that you think that the level of research before is going to meet the needs even though the needs increase?

Mr. Horton. Yes, sir, and as the ignition problem increases, there perhaps are similar increases in other problems, or at least they stay level, and that is in ventilation problems, in dust, in transport. The ignition problem doesn't stand alone.

Senator McClure. Would you provide for the record such ignitions for each of the past 5 years?

Mr. Horton. Yes, sir.

[The information follows:]

METHANE IGNITIONS FOR PAST 5 YEARS

According to MSHA, the reported methane/coal dust ignitions for the past 5 years were: 109 in 1979; 99 in 1980; 73 in 1981; 74 in 1982; and 76 in 1983.

MINERAL INDUSTRY ACQUISITIONS

Senator McCLURE. I notice on page 96 of your justification that you are undertaking a study to determine the extent of foreign ownership of U.S. minerals industries. This is being done in response to an April 1982 GAO recommendation. The Bureau was to complete in August 1982 a related study on the motives for mineral industry acquisitions and the effects this could have on industry performance.

What are the principal motives for mineral industry acquisitions?

Mr. HORTON. They have changed over the years. Initially—I will back up a little bit, Mr. Chairman. We have prepared the report. I reviewed it several months ago, and we are still working on it.

I would be pleased to give you a draft of the report. I feel it is too detailed and somewhat controversial to go into great length here.

Senator McCLURE. Well, I suspect it may well prove controversial, which also kind of underscores the concerns that many people will have with respect to the statement from all perspectives. I don't think it is controversial from one point or another. It is controversial from almost every point.

Mr. HORTON. Well, one of the our concerns is the Bureau of Mines establishing what a particular motive may have been in a particular merger or takeover, and I don't know that we can establish that. One can guess at the motive, but I don't know that we can be accurate.

Senator McCLURE. What effect have you been able to come to grips on more explicitly that it may have on industry performance?

Mr. HORTON. My personal opinion is that it has not had any bad effects. In recent years it has had some good effects by providing some funds that would not otherwise have been available to some of the mining companies.

Senator McCLURE. Is that reflected in your report?

Mr. HORTON. I am not sure it is. It has been a couple of months since I have read it.

Senator McCLURE. And you will provide that draft for us?

Mr. HORTON. Yes, sir.

Senator McCLURE. For our study.

[The information follows:]

MERGERS IN THE NONFUEL MINERALS INDUSTRY

A copy of the printer's proof for Bureau of Mines Information Circular 8979, "Mergers in the Nonfuel Minerals Industry: Trends and Motives," has been submitted to the committee.

IMPACT OF FOREIGN INVESTMENT IN U.S. MINERALS INDUSTRY

Senator McClure. The GAO recommended that—and I quote—"the Secretary of the Interior, while conducting the study on minerals industry ownership, also specifically consider the impact of foreign investment in ~~the~~ United States."

Has that recommendation been followed?

Mr. Horton. Yes; as best one can. The complicated interfingering of corporate ownerships makes it very difficult to come up with general statements.

Senator McClure. Will you indicate when the draft report is ready? There is a draft report, isn't there?

Mr. Horton. Yes, sir, it is still in review.

Senator McClure. When will you complete the study?

Mr. Horton. This year. I don't have a firm date in mind, Mr. Chairman.

Senator McClure. I have a letter dated September 15, 1982, signed by Donald P. Hodell, who was then Under Secretary. That letter says the study will not assess foreign investment in the U.S. minerals industry because of the proprietary nature of the data that would be needed from the Securities and Exchange Commission, the Commerce Department, Treasury Department, Federal Trade Commission.

Is that still an active statement?

Mr. Horton. I am not sure. That is one of the reasons for the delay. We are still having such——

Senator McClure. But you are still working at it?

Mr. Horton. Yes, sir.

Senator McClure. I guess what I am really getting at, Mr. Horton, is: Is this study really going forward, or is it on the back burner waiting for somebody to prod it into life?

Mr. Horton. No; I have been prodding it.

Senator McClure. Has anybody been prodding you?

Mr. Horton. Not until quite recently, sir.

Senator McClure. Well, it seems to me that the study—the objectives of that study are just as real today as they were at the time the study was suggested and ordered. I would hope that you would pull that back off the back burner and take a look at it and be able to tell us when it will be completed rather than just sometimes this year.

Mr. Horton. I just turned to talk to the gentleman responsible for it, and he advises me that it will not be before the end of this year.

Senator McClure. Now, are you speaking this fiscal year or this calendar year, this 3 months difference?

Mr. Horton. Fiscal year.

Senator McClure. Well, that leaves infinity on the other side, doesn't it?

Mr. Horton. Yes, sir.

Senator McClure. When will it be finished?

Mr. Horton. I would like to give you a precise answer, but could I review the situation and be more accurate in my reply?

Senator McClure. Yes, if you would, please, and furnish that for the record.

[The information follows:]

Foreign Ownership of the U.S. Mineral Industries

A draft manuscript on "Foreign Ownership of the U.S. Mineral Industries" is scheduled for completion in December 1984. Publication of this report is currently planned for the third quarter of fiscal year 1985.

REDUCTIONS IN MINERALS RESEARCH

Senator McClure. Before turning to some other subjects, maybe I could turn to the distinguished Senator from West Virginia and yield at this time.

Senator Byrd.

Senator Byrd. Thank you, Mr. Chairman, for your gracious way of handling the committee's hearings.

Mr. Horton, your fiscal year 1985 budget request was $68.9 million for minerals research and the related Mineral Institute's Program. It is nearly a 25-percent reduction from the current year's funding level.

Some examples of the programs reduced are as follows: Respirable dust research, down 26 percent; ground control and industrial hazards research, down 17 percent; mine waste control research, down 68 percent; coal mining research, down 100 percent; mineral institutes and generic research centers, down 100 percent.

Would you explain the rationale for making these reductions, and why have these sharp budget reductions in programs, designed largely to facilitate the use of this country's most abundant energy resource, coal, been made?

Mr. Horton. The reduction in the coal mine productivity amounts to $6,500,000 by not continuing to fund the Coal Mine Productivity Program which we received from the DOE about 1 year ago. That program was initially designed to provide large increase in the productivity of coal mining in the United States following the oil embargo in 1973. The problem with the coal industry at this moment—and I don't mean to lecture a man that is——

Senator Byrd. Would you pull your microphone a little closer, sir? I can't hear you very well.

Mr. Horton. We do not envision that there is immediate need to increase the coal production in the United States, one of the problems right now being surplus production, and this particular program which we are recommending not be funded this year was designed to make substantial increases in the production of the coal mining industry of the United States. The problem now is not one of underproduction; it is one of overproduction.

Senator Byrd. One of overproduction in what?

Mr. Horton. In coal, sir.

Senator Byrd. You mean to say we are overproducing?

Mr. Horton. Well, there are mines shut down. We do not lack coal mine production capacity.

Senator BYRD. I don't think you have answered my question. I will give you a chance to answer it for the record.

Because, as I have already indicated, the overall minerals research budget, including the Minerals Institute, has been decreased by approximately 25 percent, what percent of the $11.5 million reduction in minerals research is related to coal programs, and what percent to noncoal programs?

Mr. HORTON. I would have to submit that for the record, sir. I don't have readily available a breakout on our health and safety expenditures. There are some that are directed to coal, but much of our activity crosses both coal and noncoal, in both mining and health safety.

Senator BYRD. Do you have anyone with you who can answer this question?

Mr. HORTON. Let me check.

[Pause.]

Mr. HORTON. No, sir.

Senator BYRD. I will submit that question for the record.

[The information follows:]

FUNDING SPLIT BETWEEN COAL AND NONCOAL RESEARCH IN THE PROPOSED FISCAL YEAR 1985 BUDGET REDUCTIONS

	Coal	Noncoal
Health and safety technology:		
Ground control	$1,100,000	$400,000
Respirable dust	1,375,000	125,000
Human factors	2,500,000	
Conservation and development:		
Coal mining technology	7,500,000	
Controlling mine wastes	1,360,000	
Total reduction	13,835,000	525,000

RESPIRABLE DUST

Senator BYRD. Respirable dust. As to some of these specific reductions, there is a cut of $1,316,000 for respirable dust under the Minerals Research Program. Another $1.5 million, which was provided in fiscal year 1985 for a Joint Respirable Dust Research Program at West Virginia University and at Pennsylvania State University has also been eliminated from the budget request.

Considering the $12 billion in black lung payments to over 500,000 miners since 1970, I have noted on page 23 of your justification document, and considering the continuing annual cost in excess of $1 billion and the human misery associated with pneumoconiosis, why has a higher level of research funding for respirable dust not been utilized?

Mr. HORTON. The reduction in the mineral institutes portion of that is certainly not aimed directly at the Center for Respirable Dust, but the general issue of the mineral institutes.

An additional $1.5 million represents those funds we received for fiscal year 1984 from Congress for respirable dust, which is part of the $5.5 million that I explained earlier would be spent during the latter part of this year through 1985. Until we have the results of those particular surveys, we don't think additional funding is required. We are not insensitive at all to respirable dust and have a substantial budget committed to it.

Senator BYRD. Would you supply an analysis, a benefit/cost analysis, which you may have done, to determine the appropriate level of respirable dust research?

Mr. HORTON. Yes, sir.

[The information follows:]

DETERMINATION OF APPROPRIATE LEVEL OF RESPIRABLE DUST RESEARCH

Our priorities in health engineering research reflect major emphasis on respirable dust control with lesser emphasis on problems related to noise control, industrial hygiene, radiation hazards, and ventilation. The Bureau did not perform a formal cost/benefit analysis, comparing research expenditures on respirable dust with Federal black lung compensation payments, to determine the appropriate level of respirable dust research. Rather, research priorities are established through consideration of several factors: By the number of fatalities, disabling injuries, and occupational exposure compiled quarterly by MSHA in particular accident classifications; through responses to requests from MSHA for immediate assistance in solving a safety or health problem such as the longwall dust problem; and by completion of major research efforts such as development and the self-contained self-rescuer device for miners. The Bureau uses these data to verify research priorities that are developed jointly with MSHA, through a continuous process.

The allocation of resources going to specific areas of research shows focus in three specific areas: Problem areas where the majority of fatalities and disabling injuries occur (industrial hazards and ground control); problem areas of major health impact (respirable dust, noise, and toxic gases); and problem areas that potentially have a high probability of involvement in a mine disaster (fire and explosion prevention, survival, and rescue). In determining resource allocation among those areas, we use a nonquantitative consensus among Bureau management, MSHA officials, and industry in determining our relative priorities.

LEVEL OF SPENDING ON RESPIRABLE DUST RESEARCH

Senator BYRD. With black lung payments running $12 billion, as noted again on your page 23—and I have already indicated that great human misery is involved here—and you do have a continuing annual cost in excess of $1 billion, I can ask: Why is the research level for respirable dust not higher with these conditions that indicate a need for a higher level of research funding?

Mr. HORTON. In the past several years, we have been successful, the Bureau and industry combined, in reducing the incidence of respirable dust from approximately 15 to 5 percent. Still too high, but we have accomplished much.

I believe that our level of spending on respirable dust is appropriate for the problem. The high expenditures for black lung payments now unfortunately represent those miners who were previously exposed to the dust, and there is no particular cure for that, unfortunately.

We wish to prevent that problem from continuing, and that is, of course, your reason and our reason for continuing research in respirable dust.

Senator BYRD. I don't yet understand why we don't have a higher level of research funding for respirable dust.

Mr. HORTON. The level of funding for any particular activity within the Bureau has to be balanced against all of the Federal spending. Our total budget represents that level which is thought appropriate by the administration for the Bureau of Mines, and then it becomes our task within that level of funding to allocate those particular funds to each program and objective.

To raise the respirable dust would require cuts elsewhere or an increase in our budget.

Senator BYRD. How much of a general increase would it require or cuts elsewhere would it require, quote/unquote, to which you refer?

Mr. HORTON. Not having addressed the problem in that light, Senator, I am afraid I can't give you an answer. But to consider raising the respirable dust and maintain our budget level, we would have to reduce projects or program activities elsewhere.

Senator BYRD. That is what you just said. I wanted you to identify them.

Mr. HORTON. I am afraid I wouldn't be prepared to address that just off the top of my head as to where. The cuts would be in other areas, metallurgy or other mining activity.

Senator BYRD. Well, indicate for the record where the cuts would be made and the amounts. Will you do that?

Mr. HORTON. Yes, sir, I can give you a sample.

Senator BYRD. No; don't give me a sample. Give me the answer that I am seeking.

Mr. HORTON. The reason I am hesitating is that I don't know that one can establish an absolute level that would be spent on respirable dust. I can look at the respirable dust problem, consider an increase in it, but I don't know that that increase would be as much as some other independent observer might want.

Senator BYRD. Well, that is not the answer to my question. Let me know how much the overall level would have to be increased, to which you alluded, and also the cuts in other programs.

Mr. HORTON. Yes, sir.

Senator BYRD. What other programs would be involved? In other words, someone has made a judgment as to which programs should have priority over others, and we would like to know about the prioritization and how it was arrived at and what additional overall cost would be involved, and you have alluded to these in your response.

Mr. HORTON. Yes, sir, we will supply that.

[The information follows:]

PROGRAM TRADEOFFS FOR FUNDING RESPIRABLE DUST RESEARCH

There is no direct correlation between the Federal black lung compensation benefits that are related to past years' exposure to excessively high respirable dust levels and present-day expenditures for respirable dust research. Although both the annual and the accumulated total Federal expenditure for black lung compensation payments to coal miners are very large, these payments are related to exposure of miners to high dust levels in years preceding the enactment of the 1969 Federal Coal Mine Health and Safety Act. No programs are proposed for reduction in order to increase funding for respirable dust research above that presented. Significant improvements in respirable dust control have been achieved because of research innovations. With the significant reduction in respirable dust levels in coal mines since 1969, due in part to advances developed through Bureau research, the prevalence of black lung, as reported by NIOSH, has dropped from 15 to 5 percent. We expect this prevalence rate to continue to decline as more mining sections achieve compliance with respirable dust standards. We believe the appropriate level of resources is being allocated to respirable dust research.

COAL MINING TECHNOLOGY PROGRAM

Senator BYRD. Your Coal Mining Technology Program has been funded at $6.5 million for fiscal year 1984. Your fiscal 1985 budget, however, proposes to discontinue the program.

Senator MCCLURE. The budget justification on page 43 states that "the program is being brought to a conclusion with proof of concept testing and evaluation."

Do you mean to say that the State—that there are no further coal mining technologies that need to be addressed?

Mr. HORTON. No, sir; there certainly are additional coal mine technologies that could be addressed, but we don't think it's a proper activity at this point in time. And the problem of the coal industry, as I mentioned earlier, is not one of undercapacity but of overcapacity.

Senator BYRD. I don't believe that. I don't believe that. I don't believe we have overcapacity in the production of coal today. Are you saying that?

Mr. HORTON. Yes, sir; there are some mines that have shut down or are operating at less than capacity, certainly.

Senator BYRD. Why are they operating at less than capacity?

Mr. HORTON. Because they can't sell all the coal that they can mine.

Senator BYRD. Then they are not overproducing. If they are operating at less than capacity, how can they be operating at overcapacity?

Mr. HORTON. No; I said the problem is one of overcapacity, in that they're not—they're not overproducing. They are not operating at their maximum capacity. They're operating at less than the maximum capacity. Given their facilities, they could produce more coal than they are currently producing.

Senator BYRD. So they're not really overproducing then.

Mr. HORTON. No.

Senator BYRD. In the overall. We've watched the coal industry have its ups and downs, its boom or bust cycles over the decades, and it may be that today a particular mine may not be operating full time, or it may not be operating, but tomorrow, it may be that this additional capacity would very much be needed. So why shouldn't we proceed with technology research programs?

Mr. HORTON. Well, that's one that we believe is of lower priority.

Senator BYRD. A lower priority? I hope you'll expand on this in your responses for the record.

[The information follows:]

PRIORITY OF COAL PRODUCTIVITY RESEARCH

The coal mining industry currently has an excess of production capacity. Demand is being constrained by the general worldwide level of economic activity. Therefore, within the program areas for which the Bureau of Mines is responsible, we have placed a higher priority on metal-nonmetal productivity research where technological improvements are needed to make low-grade mineral deposits viable rather than on coal productivity research.

COAL EXPORTS

Senator BYRD. If we happen to look around one of these days and see a shortage of coal, or if, perchance, were able to improve our ports so that we can export more coal, I should think that the technology of production would be greatly enhanced, if we continued with appropriate funding for such research.

Do you happen to know what the total figure is for coal exports, let's say, in 1983? How much coal, in terms of dollars, did the United States export in 1983?

Mr. HORTON. I don't know that, sir. The DOE is responsible for that.

Senator BYRD. Well, I don't have DOE in front of me, sir. Could you supply that answer for me, sir?

Mr. HORTON. Yes, sir; the exports are down worldwide on coal.

Senator BYRD. In view of the billions of dollars that we spend on imported sources of energy each year, and considering the vast resources of coal which this country has which could be substituted for much of our import fuel bill, it seems to me that the Government should do all it can do to stimulate efficient production methods for coal. And in agencies other than yours, research for utilizing this coal, is an environmentally acceptable matter. We have what we call the continuous coal miner, and yet it is not continuous. That label is misleading. Maybe continuous for a few minutes or several minutes, but then there is a problem that arises in conveying the coal from the mine face to the outside of the mine.

So it seems to me that there is room for additional technological research in the production of coal.

Would you agree with that?

Mr. HORTON. Yes, sir.

Sir, the answer to your previous question on exports of coal is 82 million tons.

Senator BYRD. Eighty-two million?

Mr. HORTON. Yes, sir.

Senator BYRD. But how much in dollars? That is what I was asking for.

Mr. HORTON. I'm not sure.

[The information follows:]

U.S. COAL EXPORTS IN 1983

In 1983, the U.S. production of coal was 785 million short tons valued at $21.5 billion. U.S. exports of coal during the same year were 78 million short tons valued at $4.1 billion.

MINE EQUIPMENT TEST FACILITY PROJECTS

Senator BYRD. I would like for you to supply for the record what you have done to date at the mine equipment test facility with respect to advanced roof support systems, water jet cutting, integrated guidance and control of mining equipment, and hydraulic transportation systems for coal, to which I just referred.

Mr. HORTON. Yes, sir.

[The information follows:]

MINE EQUIPMENT TEST FACILITY PROJECTS

Work done to date in the mine equipment test facility in the areas of roof control, water jet cutting, integrated guidance and control of mining equipment, and hydraulic transport of coal includes:

ROOF CONTROL

The mine roof simulator in the mine equipment test facility [METF] has been used in the ongoing program to develop fundamental design criteria for longwall roof supports. Additionally, assistance to MSHA in the evaluation of the impact resistance of metal tunnel liners is currently underway. Also, the assessment of miner-bolters and other conceptual roof support systems is ongoing using the miner-bolter test rig.

WATER JET CUTTING

The METF is being used to conduct full-scale surface trials of water jet assisted cutting using the longwall shearer to cut the block of artificial coal. Pending successful completion of this work, in-mine trials will be conducted of this promising technique.

INTEGRATED GUIDANCE

Prototype systems are under evaluation to investigate automatic control units and feedback sensors. Some progress has been made on longwall face alignment and current efforts are focused on investigating sensors for coal/rock interface detection.

HYDRAULIC TRANSPORT OF COAL

The Hydraulic Transport Laboratory in the METF has been used to evaluate prototype slurry concentration sensors developed by the Bureau; to assess the requirements and limitations of electronic instrumentation for slurry transport lines; and to acquire data for coarse coal transport in various diameter pipelines (such as pressure drop as a function of coal size and coal degradation).

UTILIZATION OF IMPROVED EQUIPMENT

Senator BYRD. Several months ago, I visited the Shoemaker Mine in West Virginia, and I observed there the longwall and continuous operations underway. Both of the systems suffer from the inability to transport coal to the surface at the same rate that can be cut—I just made a reference to that a minute ago.

So if you would let us know, especially what you're doing in this area.

Mr. HORTON. Yes, sir.

Senator BYRD. Would you also provide for the record, how you would use an appropriation of $8 million in fiscal year 1985 for coal mining technology.

Mr. HORTON. Yes, sir.

[The information follows:]

$8 MILLION FOR COAL MINING TECHNOLOGY RESEARCH

If $8 million were appropriated for coal mining research, the Bureau of Mines would focus its expenditure, consistent with the administration's research policy, on four basic research areas: Geomechanics, systems definitions and analyses, conceptual design and requirements, and proof-of-concept testing. A one-time appropriation of $8 million probably would be sufficient to complete basic theoretical studies and modeling so that the results could be reported in forms industry could use in subsequent in-mine application. The appropriation would be expended in outlays over 3 years for research at the METF, other Bureau facilities, or those of contractors and cooperators.

Geomechanics ($2.5 million).—Geomechanics research is needed to address problems of underground stability and roof-floor control, which pose a technological impasse to the mining of thick, multiple, and steeply pitching coal seams. These problems result from higher stresses in the mine workplace; stresses that exist as a combination of overburden loads, tectonic forces, geologic discontinuities, and mining induced dynamic loading. In order to plan and mine successfully, techniques and procedures must be established whereby engineers can determine stress parameters specific to individual mine sites and hence employ mining methods and operational practices that ensure opening stability at the workplace. Basic to establishing these engineering solutions is an understanding of the effects of mining parameters (depth, overburden geology, seam separation, et cetera), residual Earth forces (tectonics), and structural geology on underground mine structure design and stability. This knowledge is to be obtained from studies of actual field problems where, based on mining location and mining system employed, mine structure dimensions can be projected, site specific geology can be determined, and a realistic finite element model can be developed for stress analyses.

Initially the near-term coal mining problems would be addressed, that is, uppermost of multiple seams, thick seams up to 30 feet and the near surface mining of the steeply pitching seams. Potential application of longwall, hydraulic, caving, and room-and-pillar techniques to these unique mining conditions would be considered and would include mine development requirements for each method. Models and theoretical stress conditions would be determined for each case. From this, determination can be made of best opening size and shape to achieve maximum structural stability. In addition, the resulting surface subsidence and hydrologic effects from high thickness extractions would be studied using the same mine site conditions and parameters as for the stress analysis studies.

First emphasis would be placed on the 30 foot thick coal seams which might logically be mined in successive underhand lifts and which are now being "hi-graded" using current technology. Optimum development and caving dimensions for hydraulic mining of steep and thick seams would be determined. Stress variables and mine structure design guidelines for these complex conditions would be completed.

Systems definition and analyses ($4 million).—Building upon the fundamental data obtained via geomechanical studies, various systems would be defined and studied in terms of the following subsystems: Access, fragmentation, haulage, and ancilliary (subsidence, hydrology, waste, ventilation, et cetera). The systems offering the best potential for initial application appear to be hydraulic mining and high-seam (greater than 20 feet) longwall mining. Although longer term research is needed, additional systems seem to offer good potential such as sublevel caving and multiple-pass longwall.

Conceptual design and recommendations ($0.5 million).—Systems that conceptually offer the greatest potential in terms of technical feasibility would undergo further delineation in terms of design criteria. As the concept is more fully formulated, further requirements must also be met: Design objectives; target resource requirements; production costs and economics; miner safety and human factors; miner health; environmental impact; resource conservation; and required mine plan—general regulations and standards.

Proof-of-concept testing ($1 million).—Testing to validate the technical feasibility of promising concepts would be conducted.

Long-term field testing (Possible future funding).—Once the theoretical research and modeling has been completed, the next phase of such research would be long-term field testing. This field testing would be undertkaen on a cooperative basis with industry and would require some limited future year funding for the Bureau.

MINE EQUIPMENT TEST FACILITY

Senator BYRD. Since Congress has not approved the budget proposals to close the mining equipment test facility—in fact, funds were added to keep that facility open in fiscal year 1984—is it safe to assume that the Department will make no effort to shut down its operation, curtail its Research Program or transfer any of its employees, before Congress formally considers the proposal?

Mr. HORTON. Yes, sir.

MOUNTAIN BUMPS

Senator MCCLURE. The subject of mountain bumps has come to my attention in my correspondence. These are pressurized zones that can blow out the coal face unexpectedly, killing or injuring miners nearby. During October and November of last year, there were three miners killed and several others hurt by mountain bumps in West Virginia.

Could you tell the committee whether or not the Bureau of Mines has developed any techniques for anticipating and protecting miners against mountain bumps, and also, what research, if any, has been conducted to date on the subject of mountain bumps?

Mr. HORTON. Yes, sir. We are addressing that particular matter to which you refer. We held a workshop on March 7 and 8 in Princeton, WV, to help identify the research needed for this specific area. We have addressed the specific problem of mountain bumps. They're also called outbursts or rock bursts. We've done a lot of work in northern Idaho and in western coal mines, a minimum amount in eastern coal mines. We are looking at the recent events and are addressing the problem right now in a very active fashion. We do have techniques that are probably useful. You can't say absolutely useful, until we do the research work on them, but they're probably quite useful in predicting events.

Senator BYRD. So you are conducting research?

Mr. HORTON. Yes, sir.

Senator BYRD. On the subject.

Do you feel that your funding for such research is adequate?

Mr. HORTON. Yes, sir. Because of past funding and our work in the West, we have a large base from which to operate.

Senator BYRD. The chairman has just indicated to me that he has some problems of this nature on his own estate, so I'm satisfied that if the problem needs to be further addressed, he will be taking a good look at it and will certainly have my support.

Has the Bureau conducted a detailed survey of all recent mountain bump occurrences for possible correlation of events which might provide some forewarning of such dangers?

Mr. HORTON. We're addressing that as part of this research.

Senator BYRD. One final question that I would address to you on the subject of mountain bumps. You indicated in your January 6 letter to me that you would report on possible research approaches after meeting with other interested Federal, State, and industrial parties at the Mine, Health, and Safety Academy in Beckley, WV, sometime in February. I don't believe I've received a follow-up as promised.

Mr. HORTON. The Beckley meeting was the one that was transferred and ultimately held in Princeton, WV, and we will be in communication with you as soon as we've outlined a rather detailed Research Program.

Senator BYRD. All right. Thank you very much. Thank you, Mr. Chairman. I may have other questions, but I'll not ask them here.

FISCAL YEAR 1984 INCREASE IN PAY COSTS

Senator MCCLURE. Thank you very much, Senator Byrd.

You've not requested a 1984 pay cost supplemental, instead you plan to fund the 1984 increase in pay costs from 1983 unobligated balances. Congress appropriated funds to the Bureau in 1983 for specific purposes. Some of these things apparently won't be done. Why is that the case? Can you identify what you plan not to do?

Mr. HORTON. Yes, sir. I can do that for the record, if I might.

Senator MCCLURE. If you would do so, I would appreciate some specific figures.

You say that mineral research contracts will be deferred, in order to cover pay raise costs.

Can these research contracts be identified by line item and type of research?

Mr. HORTON. Yes, sir. We'll supply that for the record.

Senator MCCLURE. Could you also supply the impact of deferring these contracts, each one specifically?

Mr. HORTON. Yes, sir.

Senator MCCLURE. Aren't you now going to have to use 1984 appropriations to fund these deferred contracts?

Mr. HORTON. 1984 or 1985; yes, sir.

Senator MCCLURE. What do you plan to eliminate in 1984 to fund these deferred contracts.

Mr. HORTON. The use of the word deferred in our budget document was an unfortunate use, in that we have not specifically deferred a particular contract, in that we usually carry, without exception, carry more research projects in our mind than we could fund. It's the nature of research to do that.

We did not address it as we'll defer project A, B, and C. Our priorities are simply moved in order to accomplish this funding, but I can and I will identify for you, sir, the particular group that we had in mind.

[The information follows:]

IMPACT OF PAY RAISE ABSORPTION

In fiscal year 1984, the Bureau is absorbing the cost of the pay raise which is $1,839,000. The impact of this absorption by program is:

Minerals research:	
Health and safety technology	$486,000
Conservation and development	104,000
Minerals and materials research	512,000
Subtotal	1,102,000
Minerals information and analysis:	
Minerals information	188,000
Minerals data analysis	290,000
Subtotal	478,000
General administration	259,000
Total	1,839,000

These costs will be covered primarily by reducing the amounts that otherwise would be available for contracting in minerals research and minerals information and analysis programs.

ABSORPTION OF PAY COSTS

Senator MCCLURE. Well, it seems to me that what I see happening here is quite the opposite of what you outlined. One is that you have a number of research projects, and you do as many of those as you have funds to do. But your budget submission tells us now that you're going to do less than you have funds for, in order that you might pay other costs from that degree of funding. Isn't that correct?

Mr. HORTON. Yes.

Senator MCCLURE. Well, that means then that somebody, somewhere has made the decision not to do the research, in order to have the money to spend for something else. Is that not correct?

Mr. HORTON. That is correct, sir.

Senator MCCLURE. Who made that decision, and upon what basis?

Mr. HORTON. That was I and the Department.

Senator MCCLURE. So you consciously decided to transfer moneys, not to spend the moneys in the first place, and second, to use that unexpended money to cover pay costs; is that correct?

Mr. HORTON. Yes, sir.

Senator MCCLURE. So that the supplemental pay comes out of the research contracts?

Mr. HORTON. Out of the general research funds; yes, sir, as most of the Bureau's pay does.

Senator MCCLURE. And that means some research contracts that would otherwise have been funded and undertaken, will not be undertaken.

Mr. HORTON. Yes, sir.

Senator MCCLURE. It also means that they will not be undertaken in 1984 and 1985, if I read your budget submission correctly, and if I understand you correctly, am I correct in that?

Mr. HORTON. Yes; one not undertaken in 1984 might be made active in 1985 and an alternative one deferred, if you would.

Senator MCCLURE. Would you provide for the record—well, maybe you can answer directly. What would the pay cost supplemental be, if you hadn't made the decision to take it out of research?

Mr. HORTON. The pay raise sum for 1984 is $1,839,000.

Senator MCCLURE. A million——

Mr. HORTON. $839,000.

Senator MCCLURE. $839,000. Would that be the total pay cost supplemental?

Mr. HORTON. Yes.

Senator MCCLURE. Is that the total amount that you're taking out of the Research Program?

Mr. HORTON. Yes, sir.

LOW-GRADE COAL

Senator MCCLURE. Your colleagues in the Bureau of Land Management tell us that they manage one-third of all the coal in the United States. This represents 17.6 billion tons of recoverable reserves. They have almost 1 million acres under lease in their Coal Program and are pursuing additional coal lease sales. Much of this coal is of low grade, and there continues to be a need to increase productivity in coal mining to be able to bring this coal on line.

Isn't this need to increase productivity the very objective of the Coal Mining Technology Program?

Mr. HORTON. It is the very objective of the Coal Mining Technology Program, but the need to bring on low-grade coal at this point, I would think, would be questionable. There has been a fair amount done on subbituminous coal and lignite. On the other hand, firms, with what one might call good high-grade coal, are having trouble transporting it.

Senator MCCLURE. But your decision on technology research is really based on market conditions in sale of coal, as compared to the capability to produce?

Mr. HORTON. Yes; the current market. I would say the capability to produce and the Federal budget, too.

IDAHO NATIONAL ENGINEERING LABORATORY

Senator MCCLURE. Let me turn for a moment to the Idaho National Engineering Laboratory, because I want to express my appreciation that you've included in your 1985 budget, some funding for INEL. Your development of a long-term research proposal by the Bureau is critical to incorporate the research being conducted at INEL into other research conducted by the Bureau. I understand that INEL has submitted their proposal to you, and I would say that your review and evaluation of the program is important to this committee.

When can we expect to receive your recommendations on this plan for expansion of this program?

Mr. HORTON. Mr. Kesterke, who is with the Minerals and Materials Research Program.

Mr. KESTERKE. Sir, we have received the proposal. It has been evaluated. We have recommendations for research at increased levels of funding in the areas which are of interest to us. The plan is ready and can be made available to you.

Senator MCCLURE. If you'd provide that to the committee, please, I would appreciate it, please.

Of the $3 million which goes through INEL, the Bureau takes $300,000 for overhead. What does the Bureau do with that money?

Mr. HORTON. That's for salary, travel, per diem costs, for monitoring the contracts. We don't simply forward the funds to INEL. We are very active in monitoring and cooperating with them in that effort.

Senator MCCLURE. Is that 10 percent assessment based on an analysis of general work by passing funds to NEL?

Mr. HORTON. No; I don't believe I could say that, Mr. Chairman. We normally find it necessary to charge 15 percent overhead, but in this area, we thought it appropriate for the Bureau to bear some of that expense and so leave the 10-percent level.

Senator MCCLURE. Isn't your "General adminstration" account intended to cover some of these expenses?

Mr. HORTON. Not all those specifically associated with the INEL contract. We're doing monitoring, traveling, and visiting.

Senator MCCLURE. Do you deduct uniformly from passthroughs on every contract?

Mr. HORTON. No; given the nature that you asked, generally, I tried to insist on a 15 percent, but on some areas—and these would be exceptions—we might absorb that cost within the Bureau rather than passing it through.

Senator MCCLURE. There are other instances in which there are no charges; is that correct—or withhold no funds; is that correct?

Mr. HORTON. I can only think of one, and that has to do with a cooperative project with the USGS, where they are doing all of the monitoring, and we simply hand them the $80,000. The INEL is not really a passthrough, it is a contract that we have with EG&G, so it's the same as many of our other contracts.

Senator MCCLURE. You charge an overhead on every contract?

Mr. HORTON. Yes; but you wouldn't see it necessarily, directly, because in this particular instance, it was $3 million that was identified for INEL.

Senator MCCLURE. Isn't it a fact that general administration pays for the overhead, ordinarily?

Mr. HORTON. For what I might think as the general administration, yes, sir, but not for the monitoring of the contracts. That's within the program area. If we put out a contract in some field of metallurgy, as is the case with INEL, the funds for monitoring the contract would come out of the Metallurgy Program and not out of the general overhead.

MINERAL ASSESSMENTS FOR WILDERNESS AREAS

Senator McClure. I'll submit some further questions for response with respect to that practice and how it is applied.

The Bureau conducts mineral assessments on wilderness areas, RARE II areas, and further study areas for the Forest Service and on instant study areas and wilderness study areas for the Bureau of Land Management. These agencies use this mineral information to meet legal requirements and preparing legal management plans and environmental impact statements.

In 1983, the Bureau completed mineral assessments on 10.3 million acres of Forest Service land and 0.6 million acres of Forest Service land and 1.4 million acres of BLM land.

For fiscal year 1985, you plan to work on 4.8 million acres of BLM land but plan no funds for mineral assessment of National Forest System land.

Why are you eliminating work on Forest Service Land?

Mr. Horton. Because we initially completed all the work on the Forest Service land, no work remained to be done on the Forest Service.

Now since preparation of the budget, there has been a change, as a result of the court case in California, and the Forest Service is required to go back and look at additional areas, and they've asked us to join them. We are funding some additional work for the Forest Service for this year and next year.

And Secretary Clark recently sent a letter to Secretary Block outlining that work which the USGS and the Bureau of Mines would undertake to meet the Forest Service requirements.

Senator McClure. Do you know the volume or the cost of that work?

Mr. Horton. We're looking at, I think, 300,000 acres.

It's 300,000 acres this year, sir, and 300,000 acres next year. In support of that, we are spending $250,000 this year and $500,000 next year.

IMPACT OF *CALIFORNIA* V. *BLOCK* DECISION

Senator McClure. Are you referring to the ninth circuit of appeals' decision that invalidated the RARE II process and required them to, in effect, go back and revise their procedures and conduct this procedures again?

Mr. Horton. Yes, sir.

Senator McClure. Does this 600,000 acres that you referred to all occur in one place, or is that systemwide?

Mr. Horton. No; I don't know that the 600,000 is the total. That's how much we'll be doing this year, next year; but we'll continue until we meet the Forest Service requirements.

Senator McClure. Do you know what the Forest Service requirements are in terms of total acres that must be again evaluated?

Mr. Paone. Sir, the Forest Service requirements to meet the *California* v. *Block* decision is 6.7 million acres.

Senator McClure. Well, that takes how many years?

Mr. Paone. Well, it would be 300,000 acres in 1984.

Senator McClure. And 300,000 in 1985.

Mr. Paone. And then we'll be negotiating with the Forest Service starting with approximately 1 million acres in 1986.

Senator McClure. You know, that really bothers me because, as a matter of fact, we started on a RARE II in 1964 and thought we had finished it. Then the court said we didn't finish it and we have to start over; right.

If my calculations are correct, it'll take another 20 years just to make the evaluations at the pace that you're talking about. How many businesses are out of business before the end of 20 years from now?

Mr. Horton. Well, at the 300,000 acre level. Mr. Paone, who is with Mineral Data Analysis and who spoke, indicated that we would be looking at 1 million acres in 1986. We have to work out this program.

This program came in the Forest Service suddenly and it also came on us suddenly.

Senator McClure. I understand that; but are we meeting it suddenly? The problem occurred suddenly, but the response seems to be very measured, you know?

Mr. Horton. The response is given by finances, Mr. Chairman.

Senator McClure. What's it going to cost the Treasury of the United States not to be made?

Mr. Horton. Oh, it's got to be done.

ECONOMIC ACTIVITIES ON PUBLIC LANDS

Senator McClure. It has to be done. There's not any question that it has to be done; but what happens in the meantime?

Permit me, if I may, just a little excursion here with some degree of emotion. Bureaucrats keep on drawing their salaries. It doesn't matter whether it's done this year, next year, 3 years from now or 10 years from now. The salary level of bureaucrats remains the same.

But the guy that's out there depending upon these decisions in order to have an economic operation, and the men and women whose livelihoods depend on those operations don't have a paycheck. They depend on those operations, and it matters when it's done.

Mr. Horton. Yes, sir.

Senator McClure. And it matters with this Federal Government whether it's done with respect to not only the minerals industry, but the timber industry and a number of other economic activities that occur on public lands that won't occur until you get your work done.

Now, I have done the mathematics, but 1 million acres a year, even if you were doing 1 billion acres a year, in 1986 and beyond you will have gotten down to a little over 6 million acres, too, and that will only take 6 more years after that. That's 8 years.

Mr. Horton. Yes, sir.

Senator McClure. That simply isn't good enough. It cannot be good enough. I'm amazed that you would even suggest that it was good enough.

What are the losses to the U.S. Treasury just from paying unemployment compensation to people who would otherwise be employed, the lack of taxes generated from lack of economic activity that would have otherwise occurred? I would urge you to go back within the administration and say to them, "For heavens sakes, let's get this job done."

Yes; the circuit court of appeals threw us a curve and we have to deal with it, but let's deal with it on something other than a kind of measured and business as usual response.

Mr. HORTON. I will carry that message, Mr. Chairman.

Senator McCLURE. I would appreciate it if you would because you get past some doors that I find difficulty getting past. I don't know what the Forest Service request to you was.

Can they tell me what they requested you do?

Mr. HORTON. Our discussions were on the problem of financing it for this year. We had worked on BLM lands somewhat more efficiently than we had planned. So we were ahead in our work for BLM, and we were able to pick up the work for the Forest Service, the amount that we are doing this year and next year, is the result of joint discussions.

I don't know that either side could take the credit or the blame for the final result.

MINERAL INSTITUTES PROGRAM

Senator McCLURE. Again this year you're proposing to eliminate funding support for the mineral institutes. You state that other sources of funding are available to continue this type of work.

What are those sources?

Mr. HORTON. We recently asked the mineral institutes to supply us with those figures. They indicated that they had $47.9 million in instructional support, $38.5 million in research support—that's beyond the mineral institutes' funding—for a total of $88.2 million.

Senator McCLURE. Now, is that funding that's in substitution for the Federal funding or is that additional to the Federal funding?

Mr. HORTON. Well, at the present time it would be additional.

Senator McCLURE. Have they indicated that they have support for the institutes that will increase to offset the amount that would be taken away by failure of any Federal funding?

Mr. HORTON. I don't believe they've made any statements along that line, sir.

Senator McCLURE. Can you provide a complete listing of the sources and amounts for 1983, the actual amounts of funding available for the mineral institutes and estimates for 1984 and 1985 for the record?

Mr. HORTON. Of additional funds that they've received, sir?

Senator McCLURE. The sources of funding available to continue the mineral institutes' work.

Mr. HORTON. For that, we obviously depend on the goodwill of the mineral institutes to supply us the information. So the completeness is up to the institutes; but we will be pleased to give you what we have.

Senator McClure. All right. If you would, please.
[The information follows:]

Other Sources of Funding for Mineral Institutes 1983–85

In the fall of 1982,' the Bureau of Mines asked the 31 mineral institute directors to provide information on their sources of non-Federal research support for mineral-related projects. Their responses indicated that they were receiving $20.1 million from State and State agencies and $11.5 million from private sources. In February 1984, the Bureau of Mines surveyed the 31 mineral institute directors to determine the amount and sources of support for mineral engineering and science in their most recently available annual operating budgets. This survey was limited to funds expended by ABET (accreditation board for engineering and technology) accredited departments.

The other sources and amounts of funding for the 31 mineral institutes in 1983 were:

Source of research support:	
State and State agencies	$13,690,000
Private	7,220,000
Federal (excluding mineral institutes)	17,560,000
Subtotal	38,470,000
Source of instructional support:	
State and tuition	44,400,000
Private and other	5,280,000
Subtotal	49,680,000
Total	88,150,000

Similar funding is likely to be availalbe in 1984 and 1985.

NEED FOR ENGINEERS AND SCIENTISTS

Senator McClure. One of the purposes of the mineral institutes is to provide for training of mineral engineers and scientists. Last year you testified that industrial demand for these engineers and scientists had declined precipitously.

What is your current estimate of personnel needs in the mining industry?

Mr. Horton. Unfortunately, employment still remains low. As you might expect, there are two approaches to it.

The Mining Engineering magazine, which is the publication of the American Institute of Mining, Metallurgical, and Petroleum engineers, carried a September article which, I believe, intimated a large oversupply of mineral and energy engineers continuing through the 1980's and well into the 1990's. In the January issue there were several replies from universities generally that indicated that they would not agree with that.

My personal opinion is that there will be an oversupply, certainly for the next 3 or 4 years continued, and it will depend upon enrollment in the universities. But as with teachers and the feared engineer shortage during the early NASA days, the market does seem to make some rapid adjustments.

Senator McClure. You say there will be an oversupply of scientists and engineers during the next 4 years, in your judgment?

Mr. HORTON. Yes, sir.

Senator McCLURE. Is that based upon the current numbers that are available in the market today as well as graduation from universities?

Mr. HORTON. I'm taking both into consideration; yes, sir.

Senator McCLURE. I know it's difficult to project into the future very far with any great accuracy, but does that include an assessment on your part that 4 years from now there will be no surplus, or 5 years from now?

Mr. HORTON. No; I guess my 4 or 5 years is based on both anticipation and hope that the mineral industry will be well recovered at that time.

Senator McCLURE. If it isn't, what is your estimate of the status of our economy?

Mr. HORTON. It'll be in very sad shape.

Senator McCLURE. Are you suggesting that within the next 4 or 5 years we'll see a very substantial industrial recovery?

Mr. HORTON. Oh, no. Not at all. I'm looking strictly at the mining sector, not general economy.

Senator McCLURE. Well, does the industrial sector depend upon materials that come from the mining industry?

Mr. HORTON. Yes, sir.

ECONOMIC CONDITIONS IN MINING INDUSTRY

Senator McCLURE. How can we have a recovery in the industrial sector if we don't have some recovery in the mining industry?

Mr. HORTON. There will be some, but the mining recovery is confused by import/export considerations.

Senator McCLURE. It would be your belief that our industry will recover, but it'll recover on foreign resources?

Mr. HORTON. That's not my belief, but there is that possibility.

Senator McCLURE. If your belief is that it will not, then are you factoring into your estimate the availability of personnel or the demand of personnel a recovery of the domestic mining industry that parallels the recovery of the American basic industry?

Mr. HORTON. In the 4 years, yes. It is lagging now, and it will continue to lag. When hopefully we have full industrial recovery, 1 year later, perhaps 18 months later, then we may have full mining recovery.

Senator McCLURE. What is this administration's estimate of full industrial recovery?

Mr. HORTON. I'm not sure I know that, Mr. Chairman.

Senator McCLURE. Well, aren't they suggesting rather robust recovery this year?

Mr. HORTON. Yes, sir.

Senator McCLURE. With industrial activity paralleling that, that would indicate full mining industry recovery in 18 months.

Mr. HORTON. Yes, sir.

Senator McCLURE. But you seem to have some question.

Mr. HORTON. Well, we're talking mining recovery and general statements regarding mining are both difficult and dangerous in that one has to become commodity specific very fast, or one is in trouble. You can't make a general statement, hardly, regarding the metal industry.

Copper is different from zinc, is different from aluminum, is different from gas, is different from coal.

Senator MCCLURE. Well, if I understand what EPA is doing we won't have any lead mining industry left in this country. We'll import it all and let somebody else have lead poisoning.

Are you factoring that into your estimate of mining industry recovery?

Mr. HORTON. I don't think I had lead specifically in mind, Mr. Chairman, no. You may be interested that we're doing some interesting metallurgical work on lead within the Bureau right now and putting some increased emphasis on it, looking toward a smelterless lead industry.

It's too early to say that that's going to come about, but we have some interesting results.

Senator MCCLURE. Well, as I read EPA's reports you better plan on it because they don't seem very likely to allow any smelters to operate in this country. Of course, EPA is not yet worldwide, although they have some pretentions in that area.

The reason I ask these questions is that I want to, if I can, get some estimate on where you think the mineral industry will lie or fail. Is it going to parallel industrial recovery? Will it, indeed, recover 18 months from now?

Or is it going to lag behind the rest of the economy based upon these other considerations?

PROBLEMS IN COPPER AND IRON MINING

Mr. HORTON. I see two problem areas, copper mining and iron mining. The industrial minerals, the aggregates, are recovering very rapidly. Zinc is in excellent shape, so is aluminum.

Lead is so-so, but it's better off than copper and iron ore; and it's my comment perhaps that in 3, 4, or 5 years, holding in the back of my mind what the recovery rate for copper and iron ore is likely to be. Now, dollarwise these are small.

That doesn't mean that I don't consider them important, as a mining man, of course, I consider them important.

Senator MCCLURE. Well, it's entirely possible that we ought to close the schools of mines and not worry about them at all. There are some people who would advocate that for our society.

I'm not one of them, but we have a couple of other things that are making it much more difficult to forecast the recovery of the mining industry. You mentioned aluminum is doing very well. It is very, very sensitive to energy costs, especially electricity costs. If energy costs go up very much higher, we'll see marginal producers in this country shut down.

Mr. HORTON. Yes, sir.

ALUMINUM PRODUCTION

Senator McCLURE. And they just won't shut down where they operate and move somewhere else in the United States. They're likely to move offshore if that occurs. Is that not correct?

Mr. HORTON. That is correct, and it's precisely what happened in Japan.

Senator McCLURE. And if they move offshore then I suppose we can say that if the industry operates in Australia we can depend upon Australian engineers and scientists, and we don't have to have any. We'll just import the finished aluminum or the finished aluminum product.

Mr. HORTON. I don't know if I'd share your analysis as regards the mining engineers, but your analysis of the aluminum industry is exactly correct.

If the price of electricity goes up too high—and too high is not too far up from where it is now—the aluminum industry will, indeed, move offshore. It will have to move offshore.

Senator McCLURE. Well, that's kind of symptomatic of the difficulties that we have with others as well. More and more of our natural resources are being produced somewhere else in the world; and any analysis would indicate that we're more and more likely to be moving to the southern portion of Africa for our source of mineral resources to fuel the industries of the developing world.

Is that not correct?

Mr. HORTON. For those specific commodities for which South Africa is particular well known; yes, sir. There's almost no alternatives.

COPPER FROM LATIN AMERICA

Senator McCLURE. We will be expanding copper mining in Chili because the Chileans will demand it as a matter of social policy.

Copper mining south of the border in Mexico will probably expand for social reasons, not for economic reasons. Is that not correct?

Mr. HORTON. I'm not sure. It is partially correct for Mexico. Chile represents a difficult problem. Their cost per pound of copper is so much lower than ours that it is impossible for the United States to compete with Chile in copper.

We can only supply that portion of copper to the market that is above that which Chile supplies if free markets are to operate. Their costs are 45 to 50 cents a pound; ours are 80 to 90 cents a pound.

Senator McCLURE. So they have a long ways to go yet before they begin to price themselves out of the world market.

Mr. HORTON. Yes, sir.

Senator McCLURE. How about those in Africa?

Mr. HORTON. No; Zambia's costs are probably equally as high as ours.

Senator McClure. Let me ask one further question. Assuming that more and more of our resources recovery, the basic primary resource recovery is offshore of the United States, does that indicate a declining need for the training of U.S. scientists and engineers?

Mr. Horton. No, sir.

WORLDWIDE NEEDS FOR PERSONNEL

Senator McClure. So you're not basing your need for personnel in the mining industry based just upon U.S. operations. You're looking at the entire minerals industry worldwide?

Mr. Horton. I believe I am; yes, sir.

Senator McClure. And your estimate of surplus personnel is in the worldwide supplies of personnel relative to the need for those personnel?

Mr. Horton. Yes, sir.

Senator McClure. Assuming that that's true, that this is an industry that doesn't know national boundaries and the personnel aren't limited by national boundaries, if there are other considerations we might have to look at them, but otherwise let's make a basic assumption.

How long does it take for an industry to turn around and, thus having created a demand in the market, see the universities turn around and recruit students, and finding students turn around and enroll in those disciplines and get their training and then to graduate?

Mr. Horton. Six to eight to ten years.

Senator McClure. Isn't there a likelihood that if we don't make some plans for the future, that we'll run across a period of time in which there is a shortage of trained U.S. personnel?

Mr. Horton. Yes; but the enrollments in the mining schools are substantially higher now than they were when the Mineral Institutes Program was initiated.

Senator McClure. That's the purpose of the Mineral Institutes Program.

Mr. Horton. Yes; and it's successful.

Senator McClure. We have a lot of oceanographers, marine fisheries biologists because that was a popular thing to do. A great many young people went into it.

Jacques Cousteau is a very romantic person in very many ways. A mucker in a mine is not a very romantic occupation and I rather suspect that the trends in the enrollments have been more responsive to those public perceptions rather than any real need within the industry.

Isn't that correct?

Mr. Horton. It could well be; and the picture in enrollments was badly promoted during the last 3 years going from extreme shortages of thinking, perhaps. Particularly I think of geologists and exploration people in the oil and gas industry where recent graduates were drawing salaries of $30,000 to $35,000. They are now unemployed.

There wasn't a geologist available for hire by anybody 3 years ago and now there's a gross oversupply.

Senator McClure. And you don't think it's going to change rapidly.

Mr. Horton. No, sir.

ADDITIONAL COMMITTEE QUESTIONS

Senator McClure. I will submit some more questions for the record for response in writing and I particularly want to call your attention to some questions with respect to the administration of the Helium Act of 1960. There will be other questions, as well, for your response in writing; but I think perhaps that will be enough this morning.

Senator McClure. I very much appreciate your testimony and your appearance here this morning.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

Industrial Research

Question: You say in your justification (p. 53) that our domestic minerals industry has curtailed research. Why is this?

Answer: Our reference is primarily to the curtailment by industry of long-range research efforts. Although there are some companies that maintain high levels of R&D spending regardless of the state of the economy, these efforts are for the most part designed to address near-term problems, and are predicated on high benefit-to-cost ratios. Others regard R&D expenses as overhead costs that are easily cut when funds become tight.

Question: Do you think the Federal government has a responsibility to take up any of this slack?

Answer: Yes, we believe the redirection of Federal research to long-range basic research through the Bureau of Mines helps to maintain a vigorous minerals research program to encourage the domestic minerals industry to improve mineral processing operations. The Bureau can do this by providing information and ideas founded on long-range and basic research on minerals properties and characteristics and innovative processing techniques. These research efforts directly support the policies specified by the Congress in recent legislation and in the President's National Materials and Minerals Program Plan. Thus, the increased emphasis by the Bureau on long-range basic research helps provide a complete research cycle by supplementing the short-term efforts typically engaged in by industry. Taking the lead as the Bureau is now doing in conducting these studies, which is often the most difficult step in the R&D sequence, may stimulate industry to conduct its own follow-on R&D to apply the new or improved techniques.

Technical and Economic Policy Analysis

Question: On page 95 of your justification, you note a study to be undertaken in 1985 will "examine the position of our domestic minerals in the emerging post-industrial economy." Could you briefly describe this proposed study? What will it accomplish? When will it be finished?

Answer: The first phase of this study will examine the effect on the demand for metal minerals caused by structural changes in the economy. Among the changes that are outside the control of the metal minerals industry are (1) greater growth in service industries than in manufacturing, (2) changes in private and public consumer preference toward less metal-intensive goods, and (3) production processes that use less metal per unit of output. This phase of the study on metal minerals contribution to GNP will be completed in FY 1985.

The second phase of the study will be completed in FY 1986. It will examine factors within the metal minerals industry that affect efficiency and competitiveness. Variables to be examined include new technologies, productivity changes, and energy and labor costs.

The results of this study will provide improved understanding of the impact of these factors on the metal minerals industry, thus assisting industry and government in planning and policy formulation.

Printing Plant Closure

Question: You plan to save $287,000 by closing the printing plant at Pittsburgh (Forbes Ave.). You also recommend that $1,667,000 in carry-over funds be applied against 1985 appropriations which represents savings because space will no longer be needed for an in-house printing plant at Bruceton, PA., the replacement for the Forbes Avenue facility. This leaves $833,000 in Construction and Rehabilitation funds. In addition you have $336,000 available from funds appropriated in 1982, for a total of $1,169,000. Please outline your plans to utilize this $1,169,000.

Answer: The $1,169,000 will be utilized to engineer and construct a two-story administrative office building of 23,000 square feet. This building is to be a simple functional design of conventional construction with limited division of interior spaces (open area planning).

Question: What functions will be located in new facilities?

Answer: The following functions, now located at Forbes Avenue, will be transferred to Bruceton: state liaison, equal employment opportunity, property and facilities management, film inspection and distribution, publication distribution, photographic processing, drafting, and library.

Question: How many employees will work there?

Answer: A total of 57 people will work in the new facility.

Question: How many square feet will be available?

Answer: The replacement facility will consist of approximately 23,000 square feet.

Question: How long has the Bureau had its own printing capability?

Answer: The Bureau has had its own printing capability since the late 1930's.

Question: How was the study conducted that determined your proposed printing plant should not be built? Was a cost/benefit analysis performed? Is that study or analysis available? If so, please provide it for the record.

Answer: The study of Executive Branch in-house printing plants was conducted jointly by the Office of Management and Budget and the Government Printing Office in early 1983. In response to the OMB Deputy Director's January 26, 1983, request, agency heads provided specific plant-by-plant data. These data were analyzed by computer, on seven objective criteria, including location, mission, equipment utilization, cost effectiveness, and the ability of local area printers to contract for the work.

It was found that many plants were located in close proximity to each other, and in areas with direct access to many private printing sources. OMB recommended that Government printing and duplicating plants found to be overequipped, overstaffed, underutilized, or higher priced than commercial sources, be closed or downgraded. A copy of the OMB/GPO study is available and is being provided for the record.

[4/2/84]

DATA FORM FOR OMB REVIEW OF EXECUTIVE AGENCY PRINTING PLANTS

ID	DEPARTMENT	
00015	DEPARTMENT OF THE INTERIOR	
1.	7	47

PLANT TITLE	
BUREAU OF MINES	
49	95

ADDRESS	
PRODUCTION AND DISTRIBUTION SECTION	
97	144
4800 FORBES AVENUE	
145	191

CITY	S T	ZIP	Location Score	Response Score
PITTSBURGH	PA	15213	1.00	1.00
193	224	227	233	237

PLANT COST

Mission Score	Activity	FY 82 (000)	FY 83 (000)	FY 84 (000)	Employees	Units Produced (000)	Type Facility
1.00	PDC	454.0	400.0	400.0	22	19268.5	A
241	245	249	257	265	273	278	287

Total Jobs (000)	Press Utilization %	Press Utilization Score	Cost Per 1000 Units	Cost Per 1000 Score	Labor Cost to TOT Cost %	Labor Cost to TOT Cost Score	Supply Cost (000) Cost	Supply Cost (000) Score
1.4	.47	1.00	23.56	.75	.68	1.00	3.90	.75
289	297	301	305	313	317	321	325	333

FY 82 Savings (000)	FY 83 Savings (000)	FY 84 Savings (000)	TOTAL PRESSES
0.0	0.0	0.0	6
337	345	353	361

OMB BUDGET ANALYST WORKSHEET

Control Number 00015

AGENCY

DEPARTMENT OF THE INTERIOR

NAME OF PRINTING OR DUPLICATING FACILITY

BUREAU OF MINES PRODUCTION AND DISTRIBUTION SECTION

ADDRESS

4800 FORBES AVENUE

CITY & STATE

PITTSBURGH, PA

(ZIP CODE)

15213

SUBMITTED BY

JAMES J. GIGLIOTTI

TELEPHONE NUMBER (AREA CODE)

721-8340

TITLE

CHIEF, BRANCH OF PRODUCTION AND DISTRIBUTION

NUMERICAL STANDING OF PRINTING/DUPLICATING FACILITY

PLANT MISSION	100
PLANT LOCATION	100
PLANT RESPONSE	100
PRESS UTILIZATION	100
COST PER 1,000 UNITS	75
LABOR COSTS	100
SUPPLY COSTS	75
TOTAL:	650

REPORTED SAVINGS

1982 Actual	$ 0
1983 Est.	$ 0
1984 Est.	$ 0

RECOMMENDATIONS:

Recommend disestablishment. The plant accomplishes no classified work and all work is considered commercially procurable through GPO issued contracts.

Estimated savings through disestablishment

$260,124.00

1,400 jobs
19.2 million units

ANALYST: Jim L.

PLEASE READ INSTRUCTIONS BEFORE FILLING OUT THIS FORM

Agency Printing or Duplicating Plant Survey-(each printing plant or duplicating plant should provide a complete survey form)

1. Department or Agency

Bureau of Mines
Agency

Branch of Production and Distribution
Section of Processing
Name of Printing or Duplicating Plant

4800 Forbes Avenue — 721-8340
Address — Phone No.

Pittsburgh, PA — 15213
City, State — Zip Code

Submitted By:

James J. Gigliotti
Name

Chief, Branch of Production and Distribution
Title

721-8340 — 3-3-83
Phone No. — Date

James J. Gigliotti
Signature

2. Plant Mission

a. Date opened: Unknown

b. Authorized by: Joint Committee on Printing

c. State original plant mission: To print all Bureau reports that were not distributed through the Government Printing Office. Also provides: Camera ready typing, and layout of Bureau reports; distribution of reports to mailing lists and in response to requests; maintenance and distribution of Bureau of Mines films.

d. State current plant mission: Prints primarily priority jobs involving mineral statistics, or results of new significant research that the Bureau is required to issue promptly or is deemed in the best interest of the Department to publish quickly. Also processes needed administrative materials. Provides camera ready typing, and layout of Bureau reports; publication distribution; film distribution.

3. NOTICE - Attach the following documents:

a. JCP Forms 1 and 5 for FY 1982 and for the first quarter of FY 1983 for each duplicating plant (these latter forms are not now prepared by most agencies and should be developed for this survey).

b. Current organizational chart including personnel by job, title, grade, and salary for each shift.

c. An itemized summary of your plant overhead costs for FY 1982.

1. Space rental	11,346	
2. Equipment rental	12,739	
3. Personnel benefits	312,922	
4. Other	Supplies	75,302
	Equipment depreciation and repairs	41,968
TOTAL	454,277	

4. Volume of Work/Classified and Unclassified

	Number	$ Value
Total jobs printed (classified and unclassified) in FY 1982:	1,408	$481,834
Total classified jobs printed in FY 1982:	None	

Number of Top Secret Jobs None

Number of Secret Jobs None

Number of Confidential Jobs None

Number of Unclassified Jobs 1,408

Does your classified work require special access authorization?

Yes ________ No ________

5. Typesetting (Hot metal photocomposition)

How many jobs are type-set in your plant? None

What is the typesetting cost per 8½ X 11 page? —

6. Camera Work

How many square inches of negatives were produced in FY 1982? 301,600 sq. in.

7. Color Requirements

Do you have requirements for multicolor work? Yes ________ No X

What percent of your total work is multicolor? ________ %

What percent of your multicolor work requires process color? ________ %

Range of sizes ________ to ________

8. Transportation

a. Do you use common carriers to ship printed material outside of your metropolitan area? Yes ________ No X

b. If yes, what are your annual costs for this transportation? $ ________

9. Log of Jobs

a. Complete the attached report entitled "Log of Jobs for February 1983." List every job received in the month of February.

b. What percentage of your annual workload does the work listed in the "Log of Jobs for February 1983" represent? 6 %

c. Total number of employees on the roll during February 1983. 22***

d. Number of overtime hours worked during this month. 8 hrs. - Equipment maintena

10. Proposed Cost Reductions (to be completed by the printing or duplicating plant manager, and approved by the bureau and agency budget office).

	1982 Actual	1983 Estimate	1984 Estimate
	(in thousands of dollars)		
Cost of Operating Plant* ____________	454	400	400
Minus:			
Savings by type of action:**			
A. Closure by ______________, 198___			
B. Consolidation with the ___________ plant _____________			
C. Other cost savings, specify:	See Attached.		
1. ______________________			
2. ______________________			
3. ______________________			
D. Net cost of operating plant (cost less all savings) ___________	454	400	400

* All costs associated with operating the plant (including all overhead items) as reflected in the President's 1984 Budget for fiscal years 1983 and 1984.

** These savings are not to be reduced by increased commercial or GPO procurements. (Please indicate any significant increases in procurement by year in a separate tab

***Includes one permanent part time employee (32 hr. week).

11. List the printing and duplicating plant offices that you have closed or downgraded in the last 5 years. Please provide the year of closure or downgrading, and the specific actions taken (including transfer of personnel or equipment).

Prepared and approved by:

James Gigliotti — FTS 721-8340
Name of printing or duplicating plant manager — Telephone

Robert Lamb — 634-1325
Name of Bureau Budget Officer — Telephone

_______________________ — ___________
Name of Agency Budget Officer — Telephone

While the above form should be initially completed by the Plant Manager, we encourage additional cost reduction proposals by higher clearance levels. These additional reduction proposals can be reflected on a revised response to question 11.

The completed package should be transmitted by letter to the OMB Director by the Secretary or his policy designee.

ITEM - 3a

PRINTING PLANT REPORT

JCP FORM NO. 1 (REV. 3-75)

Department headquarters shall submit two copies of this report to the Joint Committee on Printing within 30 days after the close of each of the first three fiscal quarters. The last fiscal quarter report shall be forwarded to the committee in duplicate not later than August 31.

DEPARTMENT OR AGENCY	NAME AND LOCATION OF PLANT (STATE, CITY, AND STREET)	JCP AUTHORIZATION NO.	FOR PERIOD ENDED
Deptarment of the Interior Bureau of Mines	Br. of Prod. & Dist., Sec. of Processing 4800 Forbes Ave.. Pittsburgh, PA 15213		09-30-82

PART I.—COST INFORMATION (FOR FISCAL YEAR ONLY)

ITEM	ALL PRINTING, EXCEPT COMPOSITION ¹ (COL. A)	COMPOSITION, ALL TYPES ² (COL. B)	OPERATIONS OTHER THAN PRINTING ³ (COL. C)
	Omit cents	Omit cents	Omit cents
Total salaries of all personnel including supervisory directly engaged in the operation of plant (including overtime and annual and sick leave)	$ 259,716	$ 53,206	$ 121,515
Cost of paper, ink, chemicals, negatives, plates, etc., used during report period	73,088	2,214	7,024
Depreciation of equipment (1% per month of original cost until fully depreciated)	16,482	860	3,774
Amount spent for repairs and maintenance	23,816	810	4,528
Allowance for space occupied (whether Government-owned or rented), utilities, etc. (14.5 cents per month per square foot of total space occupied)	9,582	1,764	1,152
Amount spent for rental of equipment		12,739	
Total cost (Use col. A total from this line to compute cost per 1,000 units)	382.684	71.593	137.993
Total cost of printing including composition (col. A + col. B)	454,277		x x x x x

¹ Include in Column A cost of all offset camera work, negative work, imposition, platemaking, duplicating, presswork, scoring, perforating, numbering, folding, collating, gathering, drilling, punching, stitching, sewing, inserting, tipping, padding, trimming, tying, wrapping, and all other operations necessary to complete printing or binding product.

² Include in Column B cost of all composition produced by plant.

³ Include in Column C cost of all operations not involving printing (Col. A) and composition (Col. B). Costs to be included in Column C will include, but not be restricted to, addressing, distribution, camera work (other than lithographic), photostating, ozalid, B/W, etc.

PART II.—PRODUCTION INFORMATION

	PRESSWORK	UNITS PER PRESS IMPRESSION (COL. D)	NUMBER OF PRESSES IN EACH CATEGORY REPORTED (COL. E)	NUMBER OF STENCILS, MASTERS, PLATES, OR FORMS (COL. F)	TOTAL UNITS PRODUCED, EXCLUDING OVERRUNS (COL. G)
OFFSET (Include mimeograph and spirit)	11" x 17" or less (maximum image 10¾" x 14")	1	1	133	126.430
	11" x 17" or less, tandem (maximum image 10¾" x 14¼")	2			
	11" x 17" (image larger than 10¾" x 14¼")	2	2	1.315	3.541.836
	14" x 20", and 15" x 18"	2			
	11" x 17" tandem (image larger than 10¾" x 14¼")	4			
	17" x 22" and 19" x 25"	4	2	529	5.471.861
	22" x 29"	6			
	22" x 34"	8			
	23" x 36"	8			
	23" x 36" perfecting	16			
	34" x 44"	16			
	Other (specify) XEROX - 9400		1	32,050	1,208,850
	Total units produced by offset this second 6 months	x x x	x x x x	x x x x x	10,348,977
LETTERPRESS	Under 10¾" x 16"	1			
	Other (specify)				
	Total units produced by letterpress this fiscal quarter	x x x	x x x x	x x x x x	
	Total units produced in plant this first 6 months	x x x	x x x x	x x x x x	8,919,556
	NOTE: Complete this block only on last fiscal quarter report.				
	Total units produced in plant this fiscal year	x x x	x x x x	x x x x x	19.268.533
	Cost per 1,000 units (total cost of printing, excluding composition, part I, col. A, divided by total production units produced in the plant. Drop last 3 digits of col. G when computing cost per 1,000 units).				$ 19.86

PREPARED BY (Person in charge of plant)

DATE SUBMITTED 11-08-82

PART III—LIST OF REPORTABLE JOBS RUN DURING THE PERIOD*

*Report only those jobs which exceed the quantity of production units, by press production unit size, as shown below:

Press Production Unit Size	Production Units
Less than 4 units	25,000
4 units	50,000
6 units	80,000
8 units	120,000
16 units	240,000
Over 16 units	No listing required

Unit Size**	
11" x 17" or less (maximum image 10½" x 14½")	1
11" x 17" or less, tandem (maximum image 10½" x 14½")	2
11" x 17" (image larger than 10½" x 14½")	2
14" x 20"	2
18" x 18"	2
11" x 17" tandem (image larger than 10½" x 14½")	4
17" x 22"	4
19" x 25"	4

Unit Size**	
22" x 28"	6
22" x 34"	8
22" x 36"	8
25" x 38"	10
25" x 38" perfecting	16
36" x 46"	16
42" x 48"	24
42" x 58"	28
48" x 84"	30

TITLE OF PUBLICATION OR FORM (1)	NUMBER OF PAGES IN PUBLICATION OR FORM (2)	NUMBER OF COPIES REQUIRED OF EACH PAGE IN COLUMN 2 (3)	FINISHED PRINTED PAGE SIZE (4)	UNIT SIZE OF PRESS ON WHICH PRODUCED** (5)	PRESS RUN REQUIRED TO COMPLETE JOB EXCLUSIVE OF OVERRUNS, SPOILAGE, ETC. (6)	TOTAL PRODUCTION UNITS—COLUMN (5) MULTIPLIED BY COLUMN (6) (7)	PROCESS M—Mimeo O—Offset L—Letterpress S—Spirit (8)
RI 8658—Superheated Drop Vaporization: Halon 1301.	23	2,600	8-1/2 x 11	4 & 4T	15,600 1,300	62,400 2,600	O O
RI 8657—Laboratory Testing of Chemical Oxygen Self-Rescuers for Ruggedness and Reliability.	25	2,500	do.	4 & 4T	17,500 1,250	70,000 2,500	O O
RI 8666—Electronkinetic Densification of Solids in a Coal Mine Sediment Pond—A Feasibility Study. (In Two Parts).	36	3,500	do.	4 & 4T	32,375 1,750	129,500 3,500	O O
RI 8684—Application of a Photodiode Array Optical Spectrometer to the Study of the Incendivity of Light Alloys Impacing on Rusted Steel.	21	2,400	do.	4	15,00	60,000	O
RI 8692—Acoustic Emission Source Location—A Mathematical Analysis.	31	2,200	do.	4	18,700	74,800	O
RI 8729—Building Seals by Pneumatic Stowing in Mine Closure Operations.	28	3,000	do.	4	22,500	90,000	O
IC 8872—Minerals Health and Safety In-House and Contract Research, Development, and Demonstration in Fiscal Year 1982.	53	5,000	do.	4	66,250	265,000	O
IC 8875—Computerized, Remote Monitoring Systems for Underground Coal Mines. Fires and Explosive Atmospheres.	13	4,000	do.	4 & 4T	16,000 4,000	64,000 8,000	O O
IC 8828—Surface Mine Truck Safety Proceedings: Bureau of Mines Technology Transfer Seminars, Minneapolis, MN, 6/25/80, Birmingham, AL, 7/9/80. (REPRINT)	66	1,000	8 x 10-1/2	4 & 4T	17,000 500	68,000 1,000	O O
IC 8884—Accomplishments in Waste Utilization. A Summary of the Seventh Mineral Waste Utilization Symp.	92	2,700	8-1/2 x 11	4	63,450	253,800	O
					TOTAL	1,155,100	XXXX

JCP FORM NO. 1 (BACK) (REV. 3-71)

U.S. GOVERNMENT PRINTING OFFICE: 1971—O—44-469

PART III—LIST OF REPORTABLE JOBS RUN DURING THE PERIOD*

*Report only those jobs which exceed the quantity of production units, by press production unit size, as shown below:

Press Production Unit Size	Production Units
Less than 4 units	25,000
4 units	60,000
6 units	90,000
8 units	120,000
16 units	240,000
Over 16 units	No listing required

Unit Size**	
11" x 17" or less (maximum image 10½" x 14¾")	1
11" x 17" or less, tandem (maximum image 10½" x 14¾")	2
11" x 17" (image larger than 10½" x 14¾")	2
14" x 20"	2
17" x 18"	2
11" x 17" tandem (image larger than 10½" x 14¾")	4
17" x 22"	4
19" x 25"	4

Unit Size**	
22" x 28"	8
22" x 34"	8
23" x 36"	8
25" x 38"	16
23" x 36" perfecting	16
36" x 48"	16
43" x 60"	24
42" x 58"	28
45" x 84"	30

TITLE OF PUBLICATION OR FORM (1)	NUMBER OF PAGES IN PUBLICATION OR FORM (2)	NUMBER OF COPIES REQUIRED OF EACH PAGE IN COLUMN 2 (3)	FINISHED PRINTED PAGE SIZE (4)	UNIT SIZE OF PRESS ON WHICH PRODUCED** (5)	PRESS RUN REQUIRED TO COMPLETE JOB EXCLUSIVE OF OVERRUNS, SPOILAGE, ETC. (6)	TOTAL PRODUCTION UNITS—COLUMN (5) MULTIPLIED BY COLUMN (6) (7)	PROCESS M—Mimeo O—Offset L—Letterpress S—Spirit (8)
				TOTAL	CARRIED FWD	1,155,100	
IC 8885--Characterization of U.S. Cement Kiln Dust and Errata Page.	23 +1	2,900	8-1/2 x 11	4 & 4T	18,850 1,450	75,400 2,900	O O
TRP 117--A New Sonic Velocity-Logging Technique and Results in Near-Surface Sediments of Northeastern New Mexico.	28	3,500	do.	4	24,500	98,000	O
MINERAL INDUSTRY SURVEYS:							
Apparent Consumption of Industrial Explosives in US, 1981 (AAS).	12	3,400	do.	4T	20,400	40,800	O
Cement in April 1982.	14	2,825	do.	4T	19,775	39,550	O
Cement in 1981 (AAS).	25	3,150	do.	4 & 4T	18,900 3,150	75,600 3,150	O O
Chromium in April 1982.	19	2,175	do.	4T	21,750	43,500	O
Copper Industry in February 1982.	14	3,325	do.	4T	23,275	46,550	O
Copper Industry in April 1982.	14	3,325	do.	4T	23,275	46,550	O
Gold and Silver in March 1982.	15	3,325	do.	4T	26,600	53,200	O
Iron Ore in June 1982.	16	2,100	do.	4T	16,800	33,600	O
Iron and Steel Scrap in January 1982.	11	2,675	do.	4T	16,050	32,100	O
Iron and Steel Scrap in June 1982.	11	2,650	do.	4T	15,900	31,800	O
Marketable Phosphate Rock in July 1982.	28	2,125	do.	4T	31,875	63,750	O
Platinum-Group Metals in the First Quarter 1982.	11	2,225	do.	4T	13,350	26,700	O
Potash in 1982 (AAS).	13	1,950	do.	4T	13,650	27,300	O
Salt in 1981 (AAS).	15	1,650	do.	4T	13,200	26,400	O
Zinc Industry in January, Smelter Production February 1982.	10	2,550	do.	4T	12,750	25,500	O
Zinc Industry in February, Smelter Production March 1982.	11	2,525	do.	4T	15,150	30,300	O
Zinc Industry in June, Smelter Production in July 1982.	12	2,475	do.	4T	14,850	29,700	O
					TOTAL	2,007,450	X X X X

PART III—LIST OF REPORTABLE JOBS RUN DURING THE PERIOD*

*Report only those jobs which exceed the quantity of production units, by press production unit size, as shown below:

Press Production Unit Size	Production Units
Less than 4 units	30,000
4 units	60,000
6 units	90,000
8 units	120,000
10 units	240,000
Over 10 units	No listing required

Unit Size**	
11" x 17" or less (maximum image 10½" x 14½")	1
11" x 17" or less, tandem (maximum image 10½" x 14½")	2
11" x 17" (image larger than 10½" x 14½")	2
14" x 20"	[illegible]
17" x 18"	[illegible]
11" x 17" tandem (image larger than 10½" x 14½")	4
17" x 22"	4
19" x 25"	4

Unit Size**	
22" x 29"	[illegible]
22" x 34"	[illegible]
22" x 36"	[illegible]
25" x 38"	10
22" x 36" perfecting	10
36" x 48"	[illegible]
43" x 48"	[illegible]
42" x 58"	[illegible]
48" x 64"	[illegible]

TITLE OF PUBLICATION OR FORM (1)	NUMBER OF PAGES IN PUBLICATION OR FORM (2)	NUMBER OF COPIES REQUIRED OF EACH PAGE IN COLUMN 2 (3)	FINISHED PRINTED PAGE SIZE (4)	UNIT SIZE OF PRESS ON WHICH PRODUCED** (5)	PRESS RUN REQUIRED TO COMPLETE JOB EXCLUSIVE OF OVERRUNS, SPOILAGE, ETC. (6)	TOTAL PRODUCTION UNITS—COLUMN (5) MULTIPLIED BY COLUMN (6) (7)	PROCESS M—Mimeo O—Offset L—Letterpress S—Spool (8)
				TOTAL	CARRIED FDW	2,007,450	
New Publications, Bureau of Mines, June 1982.	13	4,800	8-1/2 x 11	4	15,600	62,400	O
New Publications, Bureau of Mines, August 1982.	17	4,800	do.	4	20,400	81,600	O
MSHA:							
Holmes Safety Association Annual Report for Calendar Year 1981.	74	800	do.	4T	30,400	60,800	O
Report of investigation, Underground Coal Mine Explosion No. 1 Mine (ID No. 15-12624), RFH Coal Co., Craynor, KY, January 20, 1982.	57	600	do.	4T & 4	16,800 4,800	33,600 19,200	O O
Report of investigation, Underground Coal Mine Explosion No. 1 Mine (ID No. 15-02290), Adkins Coal Co., Kite, Knott County, KY, December 7, 1981.	64	600	do.	4T & 4	18,600 4,800	27,200 19,200	O O
Report of investigation, Underground Coal Mine Explosion, No. 21 Mine (ID No. 40-00524), Grundy Mining Co., Inc., Whitwell, Tenn., December 8, 1981.	115	600	do.	4T & 4	34,800 4,800	69,600 19,200	O O
Form 7000-12, Conference Worksheet (dtd June 82).	1	73,500	do.	4	18,375	73,500	O
DOE, PETC Telephone Directory (dtd April 1982).	26	1,600	do.	4T	20,800	41,600	O
MISCELLANEOUS:							
Requirements for Preparing and Submitting Contract and Grant Reports to the Bureau of Mines.	10	2,500	do.	4T	15,000	30,000	O
1982 Directory of Mineral Related Associations and Organization.	86	1,000	do.	4T & 4	24,000 10,000	48,000 40,000	O O
REPRINT of above book.	86	500	do.	4T	22,500	45,000	
					TOTAL	2,678,350	XXXX

U.S. GOVERNMENT PRINTING OFFICE: 1971—O—[illegible]

PART III—LIST OF REPORTABLE JOBS RUN DURING THE PERIOD*

*Report only those jobs which exceed the quantity of production units, by press production unit size, as shown below:

Press Production Unit Size	Production Units
Less than 4 units	20,000
4 units	60,000
6 units	90,000
8 units	120,000
16 units	240,000
Over 16 units	No listing required

Unit Size**	
11" x 17" or less (maximum image 10¾" x 14¾")	1
11" x 17" or less, tandem (maximum image 10¾" x 14¾")	2
11" x 17" (image larger than 10¾" x 14¾")	2
14" x 20"	2
15" x 18"	2
11" x 17" tandem (image larger than 10¾" x 14¾")	4
17" x 22"	4
19" x 25"	4

Unit Size**	
22" x 29"	6
22" x 34"	6
23" x 36"	8
25" x 38"	10
25" x 38" perfecting	16
36" x 46"	18
45" x 48"	24
42" x 58"	28
45" x 64"	30

TITLE OF PUBLICATION OR FORM (1)	NUMBER OF PAGES IN PUBLICATION OR FORM (2)	NUMBER OF COPIES REQUIRED OF EACH PAGE IN COLUMN 2 (3)	FINISHED PRINTED PAGE SIZE (4)	UNIT SIZE OF PRESS ON WHICH PRODUCED** (5)	PRESS RUN REQUIRED TO COMPLETE JOB EXCLUSIVE OF OVERRUNS, SPOILAGE, ETC. (6)	TOTAL PRODUCTION UNITS—COLUMN (5) MULTIPLIED BY COLUMN (6) (7)	PROCESS M—Mimeo O—Offset L—Letterpress S—Spirit (8)
MISCELLANEOUS:—Continued				TOTAL	CARRIED FWD	2,678,350	
Survey Forms Catalog, June 1982.	64	400	8-1/2 x 11	4T	13,200	26,400	O
Interagency Mineral Commodity Committee.	102	300	do.	4T	15,450	30,900	O
Selected Technical Publications, Mining Research Programs, January 1970 to December 1981.	232	1,500	do.	4 & 4T	51,000 72,000	204,000 144,000	O O
Directory of Federal Agencies and Departments, Pittsburgh, Pa., June 1982.	73	1,000	do.	4 & 4T	17,000 4,000	68,000 8,000	O O
					TOTAL	3,159,650	XXXX

ANNUAL PLANT INVENTORY

JCP FORM NO. 8 (Rev. [illegible])

Department headquarters shall submit one copy to the JOINT COMMITTEE ON PRINTING within 60 days after the close of each fiscal year. List all printing, binding, and related or auxiliary equipment in the plant. Use additional sheets if necessary.

THIS FORM IS FOR THE USE OF ALL AUTHORIZED PRINTING PLANTS

NAME OF DEPARTMENT OR AGENCY	NAME AND LOCATION OF PLANT	JCP AUTHORIZATION NO. ESTABLISHING PLANT	FOR PERIOD ENDED
Department of the Interior Bureau of Mines	Br. of Prod. and Distr., Sec. of Proc., Pgh., Pa.		09-30-82

DESCRIPTION Group and identify by type of machinery in the following order: Composing, platemaking, printing presses, binding, and related equipment.	AGE	CONDITION*	SERIAL NO.	SIZE	MODEL
COMPOSING AND RELATED EQUIPMENT:					
Varityper 660F	18	P	3002		660F
IBME Typewriter, Prestige Elite	13	P	6336000	19"	D823
IBME Typewriter, Prestige Elite	9	F	6663292	19"	D823
IBME Typewriter, Prestige Elite	8	F	6893699	19"	D823
IBME Typewriter, Prestige Elite	8	F	6893700	19"	D823
IBM Selectric Typewriter, Prestige Elite	7	G	2809733	15-1/2"	895
IBM Selectric Typewriter, Prestige Elite	6	G	3167698	15-1/2"	895
IBME Typewriter, Prestige Elite	4	G	7063891	19"	D823
IBME Typewriter, Prestige Elite	4	G	7063892	19"	D823
Shaefer Wax Coater	4	E	6762	14"	
A&M Headliner	7	F			820
Stacor Micro Plane Drawing Board and Desk	3	E	L6066	37-1/2"x 60"	
PLATEMAKING AND RELATED EQUIPMENT:					
Viewing Light	15	F			DLV20
ATF Metal Process Camera with 2 pulsed Xenon Lamps	32	F	51-1-1063	30x40	241
Douthitt Temperature Control Sink	34	P	0004446		DDC
NuArc Platemaker	8	G	69C73-2		FT26M
Levy Halftone Screen, 110 line	47	F	26737	8x10"	
Levy Halftone Screen, 120 Line	29	F	36039	10x12"	
NuArc Jet Line Deluxe Light Table	19	F	58F64-1	25x32"	JLT-32F
Xerox Processor	27	P	52-50125		D
Xerox Fuser	27	P	18-5036		
Xerox Camera	27	P	20-50296	#4	1840
Xerox Tone Tray	27	P	41-50180		
Dryedge Film Dryer	8	F	F491		1418
Processor	6	U	2639		DD2666
Gavaert Processor	6	U	10616	14"	DD1437
Brown/Hulen Standard Register Punch	5	G	5377-26	23x36"	S-26
Processor, Diffusion Transfer	2	E	2533		PCA
Densitometer (PMT)	2	E	78868		100 OR
Exposure Computer (PMT)	2	E	840899		100
NuArc Light table	1	N	115A82-27	30x40"	VLT-42F
NuArc Light table	1	N	115A82-29	30x40"	VLT-42F
Rubup table	1	N	74L81-3	39x33"	RUB40
NuArc Line-up table	1	N	47-C-82-C	48x40"	RR-31F
Processor, Rapidoprint	1	N	55611-4010		DD5400
PRESSES AND RELATED EQUIPMENT:					
ATF Chief, Offset Press	20	F	5095	17x22"	DE
A&M 1250L Multilith Offset Press/Chain Delivery	8	G	281321	11x17"	A&M1250
2850 Multilith Offset Press/Chain Delivery	8		272202	11x17"	A&M2850

SIGNATURE	OFFICIAL TITLE	DATE SUBMITTED
	Chief, Br. of Production and Distribution	11-08-82

*Condition: N—new; E—excellent; G—good; F—fair; P—poor; U—unserviceable.

[illegible]

(OVER)

DESCRIPTION Group and identify by type of machinery in the following order: Composing, platemaking, printing presses, binding, and related equipment.	AGE	CONDITION*	SERIAL NO.	SIZE	MODEL
PRESS AND RELATED EQUIPMENT:--Con'd					
Profiteer 25-1 Offset Press	8	G	CA-316	19x25"	25-1
Truck, Pallet Handlift, Hydraulic Skid Adaptor	14	F	0016042		PT-50
Truck, Pallet, Handlift	8	F	16947		PT-30
Truck, Pallet, Low-lift	5	G	12255		11P-E
Multilith Offset Press Duplication	12	F	228101	10¾x14½	A&M2650
Chain Delivery System Attachment	6	G	13-5-142081		
Electrostatic Master Imager	7	G	03800		A&M805
Receding Stacker	7	G	1215-2300-A		
Xerox 9400	5	F	X259015890		9400
Xerox Jogger	3	G	X719004032		A
Syntron Jogger	3	G	M-81925		J50
Jomas Roller Cleaner/Dryer (RC)	3	G	801567	48"	US 3814
Scale, Ohaus, triple beam	2	E	2610g		810W
BINDERY AND RELATED EQUIPMENT:					
Bostitch Stitcher	16	F	6742	0-9/16"	19E
Acme Stapler	20	F	20072	1/8x1/8"	N3A
Pitney-Bowes Collator	11	G	691111189		50-1
Pitney-Bowes Stitcher	10	G	72052124		SS-1
Bates Electric Stapling Machine	19	P	S12298	Single Hd	C
Challenge Hydraulic Paper Cutter	25	P	28606	37"	370
Electric Punching Machine	20	P	002405		316-EP
Electric Punching Machine	8	G	2103315		111-PM
Bunn Package Tying Machine	22	F	32363		E 962
Electric Binder	19	P	001589		316-EB
Plastic Punching Machine, T-Slot	32	F	1388		TPC-3
Challenge Paper Drill	8	G	40328	3-spindle	EH-3A
Stapler Electric	7	G	161809		SJM-1
Pitney-Bowes Folder	7	G	9752		1861
Pitney-Bowes Inserter	7	G	9068		3307
Pitney-Bowes Collator H5R-50-P	3	F	2102		1546
Pitney-Bowes Stacker	3	F	2289		1547
Pitney-Bowes Saddle Folder	2	F	2881		1439
Pitney-Bowes Head Stitcher	3	F	5311		1416
Pitney-Bowes Inserter (4-enclosure)	3	F	6798		3134
Baum Folder, 420 Series	1	N	UL155	20x32"	3-3
ADDRESSING, MAILING, AND OTHER EQUIPMENT:					
Addressograph	15	F	856942		5000
Addressograph	6	F	308993		5000
Graphotype	17	P	0941306		6441
Graphotype	6	F	309235		6441
March Electric Dial-Taper	21	F	12296	Stand.	3D
International Mailing Scale (Pitney-Bowes)	16	F	2116		S-22
Pitney-Bowes Mailomatic, Counting Head	8	G	79ss	RTPH-6	4380
Sealing Machine (Tape)	8	G	5555		35325
Sharp Compet Electronic Calculator	7	G	58014461		CS-1151
Sharp Compet Electronic Calculator	6	G	68023782		CS-1153
Sharp Compet Electronic Calculator	6	G	68061289		CS-1153
Embossograph	14	F	1422217	14x22"	2778

*Condition: N=new: E=excellent: G=good: F=fair: P=poor: U=unserviceable.

ITEM - 3a

PRINTING PLANT REPORT

JCP FORM NO. 1 (REV. 3-71)

Department headquarters shall submit two copies of this report to the Joint Committee on Printing within 30 days after the close of each of the first three fiscal quarters. The last fiscal quarter report shall be forwarded to the committee in duplicate not later than August 31.

DEPARTMENT OR AGENCY	NAME AND LOCATION OF PLANT (STATE, CITY, AND STREET)	JCP AUTHORIZATION NO.	FOR PERIOD ENDED
Department of the Interior Bureau of Mines	Br. of Prod. & Dist., Sec. of Processing 4800 Forbes Ave., Pittsburgh, PA 15213		12-31-82

PART I.—COST INFORMATION (FOR FISCAL YEAR ONLY)

ITEM	ALL PRINTING, EXCEPT COMPOSITION [1] (COL. A) Omit cents	COMPOSITION, ALL TYPES [2] (COL. B) Omit cents	OPERATIONS OTHER THAN PRINTING [3] (COL. C) Omit cents
Total salaries of all personnel including supervisory directly engaged in the operation of plant (including overtime and annual and sick leave)	$ 52,643	$ 13,513	$ 33,411
Cost of paper, ink, chemicals, negatives, plates, etc., used during report period	27,459	1,081	3,077
Depreciation of equipment (1% per month of original cost until fully depreciated)	4,217	216	790
Amount spent for repairs and maintenance	5,843	392	405
Allowance for space occupied (whether Government-owned or rented), utilities, etc. (14.5 cents per month per square foot of total space occupied)	1,858	554	1,548
Amount spent for rental of equipment		5,978	
Total cost (Use col. A total from this line to compute cost per 1,000 units)	92,020	21,734	39,231
Total cost of printing including composition (col. A + col. B)	113,754		x x x x x

[1] Include in Column A cost of all offset camera work, negative work, imposition, platemaking, duplicating, presswork, scoring, perforating, numbering, folding, collating, gathering, drilling, punching, stitching, sewing, inserting, tipping, padding, trimming, tying, wrapping, and all other operations necessary to complete printing or binding product.

[2] Include in Column B cost of all composition produced by plant.

[3] Include in Column C cost of all operations not involving printing (Col. A) and composition (Col. B). Costs to be included in Column C will include, but not be restricted to, addressing, distribution, camera work (other than lithographic), photostating, ozalid, B/W, etc.

PART II.—PRODUCTION INFORMATION

	PRESSWORK	UNITS PER PRESS IMPRESSION (COL. D)	NUMBER OF PRESSES IN EACH CATEGORY REPORTED (COL. E)	NUMBER OF STENCILS, MASTERS, PLATES, OR FORMS (COL. F)	TOTAL UNITS PRODUCED, EXCLUDING OVERRUNS (COL. G)
OFFSET (Include mimeograph and spirit)	11" x 17" or less (maximum image 10¾" x 14")	1	1	138	52,743
	11" x 17" or less, tandem (maximum image 10¾" x 14½")	2			
	11" x 17" (image larger than 10¾" x 14½")	2	2	649	1,450,563
	14" x 20", and 15" x 18"	2			
	11" x 17" tandem (image larger than 10¾" x 14½")	4			
	17" x 22" and 19" x 25"	4	2	174	2,017,544
	22" x 29"	6			
	22" x 34"	8			
	23" x 36"	8			
	23" x 36" perfecting	16			
	34" x 44"	16			
	Other (specify) XEROX - 9400		1	17,239	806,244
	Total units produced by offset this fiscal quarter (1st)	x x x	x x x x	x x x x x	4,327,094
LETTERPRESS	Under 10¾" x 16"	1			
	Other (specify)				
	Total units produced by letterpress this fiscal quarter	x x x	x x x x	x x x x x	
	Total units produced in plant this fiscal quarter	x x x	x x x x	x x x x x	4,327,094
	NOTE: Complete this block only on last fiscal quarter report.				
	Total units produced in plant this fiscal year	x x x	x x x x	x x x x x	
	Cost per 1,000 units (total cost of printing, excluding composition, part I, col. A, divided by total production units produced in the plant. Drop last 3 digits of col. G when computing cost per 1,000 units).				$ 21.26

PREPARED BY (Person in charge of plant)

DATE SUBMITTED 3-4-83

PART III—LIST OF REPORTABLE JOBS RUN DURING THE PERIOD*

*Report only those jobs which exceed the quantity of production units, by press production unit size, as shown below:

Press Production Unit Size	Production Units
Less than 4 units	25,000
4 units	60,000
6 units	90,000
8 units	120,000
10 units	240,000
Over 10 units	No listing required

Unit Size**	
11" x 17" or less (maximum image 10½" x 14¼")	1
11" x 17" or less, tandem (maximum image 10½" x 14¼")	2
11" x 17" (image larger than 10½" x 14¼")	2
14" x 20"	2
19" x 19"	2
11" x 17" tandem (image larger than 10½" x 14¼")	4
17" x 22"	4
19" x 25"	4

Unit Size**	
22" x 29"	8
22" x 34"	8
23" x 35"	8
25" x 38"	10
23" x 36" perfecting	16
36" x 44"	16
45" x 48"	24
42" x 58"	28
44" x 64"	30

TITLE OF PUBLICATION OR FORM (1)	NUMBER OF PAGES IN PUBLICATION OR FORM (2)	NUMBER OF COPIES REQUIRED OF EACH PAGE IN COLUMN 2 (3)	FINISHED PRINTED PAGE SIZE (4)	UNIT SIZE OF PRESS ON WHICH PRODUCED** (5)	PRESS RUN REQUIRED TO COMPLETE JOB EXCLUSIVE OF OVERRUNS, SPOILAGE, ETC. (6)	TOTAL PRODUCTION UNITS—COLUMN (5) MULTIPLIED BY COLUMN (6) (7)	PROCESS M—Mimeo O—Offset L—Letterpress S—Screen Spirit (8)
RI 8730--Sealing Openings in Abandoned Mines by Pneumatic Stowing.	31	3,000	8-1/2 x 11	4	25,500	102,000	O
RI 8750--Characterization of Steelmaking Dusts From Electric Arc Furnaces.	31	2,600	do.	4	22,100	88,400	O
IC 8905--Acid Mine Drainage: Control and Abatement Research.	26	3,500	do.	4	26,550	105,000	O
IC 8898--Site-Specific and Regional Geologic Considerations for Coalbed Gas Drainage.	28	2,300	do.	4	17,250	69,000	O
IC 8896--Surface Subsidence Over Longwall Panels in the Western United States. Monitoring Program and Preliminary Results at the Deer Creek Mine, Utah.	28	2,800	do.	4	21,000	84,000	O
IC 8903--Alarm System for Radiation Working Level, Fan Operation, and Air Door Position.	22	2,500	do.	4	16,250	65,000	O
IC 8908--Health and Safety In-House and Contract Research and Development in Fiscal Year 1983.	41	4,000	do.	4	42,000	168,000	O
IC 8910--Thermodynamic Properties of Selected Transition Metal Sulfates and Their Hydrates.	51	2,000	do.	4	27,000	108,000	O
TPR 119--Field Test of an Automated Temporary Roof Support (ATRS) on a Low-Coal, Single Fixed-Head Roof-Bolting Machine (Squirmer).	15	4,500	do.	4	20,250	81,000	O
MINERAL INDUSTRY SURVEYS:							
Cement in August 1982.	15	2,825	do.	4T	22,600	45,200	O
Cement in September 1982.	15	2,825	do.	4T	22,600	45,200	O
Cement in October 1982.	15	2,850	do.	4T	22,800	45,600	O
Copper Industry in August 1982.	14	3,325	do.	4T	23,275	46,550	O
Directory of Principle Crushed Stone Prod. in US in 1981.	10	2,600	do.	4T	13,000	26,000	O
					TOTAL	1,078,950	XXXX

JCP FORM NO. 1 (BACK) (REV. 3-73)

U.S. GOVERNMENT PRINTING OFFICE : [illegible]

PART III—LIST OF REPORTABLE JOBS RUN DURING THE PERIOD*

*Report only those jobs which exceed the quantity of production units, by press production unit size, as shown below:

Press Production Unit Size	Production Units
Less than 4 units	35,000
4 units	60,000
6 units	90,000
8 units	120,000
10 units	240,000
Over 10 units	No listing required

Unit Size**	
11" x 17" or less (maximum image 10¾" x 14¼")	1
11" x 17" or less, tandem (maximum image 10¾" x 14¼")	2
11" x 17" (image larger than 10¾" x 14¼")	2
14" x 20"	2
18" x 18"	2
11" x 17" tandem (image larger than 10¾" x 14¼")	4
17" x 22"	4
19" x 25"	4

Unit Size**	
22" x 29"	6
22" x 34"	8
23" x 36"	8
25" x 38"	10
23" x 35" perfecting	16
34" x 44"	16
45" x 48"	24
42" x 58"	28
48" x 54"	30

TITLE OF PUBLICATION OR FORM (1)	NUMBER OF PAGES IN PUBLICATION OR FORM (2)	NUMBER OF COPIES REQUIRED OF EACH PAGE IN COLUMN 2 (3)	FINISHED PRINTED PAGE SIZE (4)	UNIT SIZE OF PRESS ON WHICH PRODUCED** (5)	PRESS RUN REQUIRED TO COMPLETE JOB EXCLUSIVE OF OVERRUNS, SPOILAGE, ETC. (6)	TOTAL PRODUCTION UNITS—COLUMN (5) MULTIPLIED BY COLUMN (6) (7)	PROCESS M—Mimeo O—Offset L—Letterpress S—Sprit (8)
MINERAL INDUSTRY SURVEYS-Cont'd:				TOTAL	CARRIED FWD	1,078,950	
Iron and Steel Scrap in July 1982.	11	2,675	8-1/2 x 11	4T	16,050	32,100	O
Iron and Steel Scrap in September 1982.	11	2,700	do.	4T	16,200	32,400	O
Zinc Industry, July 1982; Smelter Production, August 1982.	12	2,525	do.	4T	15,150	30,300	O
Zinc Industry, August 1982; Smelter Production, September 1982.	12	2,550	do.	4T	15,300	30,600	O
New Publications, Bureau of Mines, September 1982.	6	4,800	do.	4T	14,400	28,800	O
New Publications, Bureau of Mines, October 1982.	13	4,800	do.	4	15,600	62,400	O
New Publications, Bureau of Mines, November 1982.	13	4,800	do.	4	15,600	62,400	O
					TOTAL	1,357,950	X X X X

US GOVERNMENT PRINTING OFFICE : 1971—O—54-460

ANNUAL PLANT INVENTORY

JCP FORM NO. 5 (Rev. 3-68)

Department headquarters shall submit one copy to the JOINT COMMITTEE ON PRINTING within 60 days after the close of each fiscal year. List all printing, binding, and related or auxiliary equipment in the plant. Use additional sheets if necessary.

THIS FORM IS FOR THE USE OF ALL AUTHORIZED PRINTING PLANTS

NAME OF DEPARTMENT OR AGENCY	NAME AND LOCATION OF PLANT	JCP AUTHORIZATION NO. ESTABLISHING PLANT	FOR PERIOD ENDED
Department of the Interior Bureau of Mines	Br. of Prod. and Distr., Sec. of Proc., Pgh., Pa.		12-31-82

DESCRIPTION Group and identify by type of machinery in the following order: Composing, platemaking, printing presses, binding, and related equipment.	AGE	CONDITION*	SERIAL NO.	SIZE	MODEL
COMPOSING AND RELATED EQUIPMENT:					
Varityper 660F	18	P	3002		660F
IBME Typewriter, Prestige Elite	13	P	6336000	19"	D823
IBME Typewriter, Prestige Elite	9	F	6663292	19"	D823
IBME Typewriter, Prestige Elite	8	F	6893699	19"	D823
IBME Typewriter, Prestige Elite	8	F	6893700	19"	D823
IBM Selectric Typewriter, Prestige Elite	7	G	2809733	15-1/2"	895
IBM Selectric Typewriter, Prestige Elite	6	G	3167698	15-1/2"	895
IBME Typewriter, Prestige Elite	4	G	7063891	19"	D823
IBME Typewriter, Prestige Elite	4	G	7063892	19"	D823
Shaefer Wax Coater	4	E	6762	14"	
A&M Headliner	7	F			820
Stacor Micro Plane Drawing Board and Desk	3	E	L6066	37-1/2"x 60	
PLATEMAKING AND RELATED EQUIPMENT:					
Viewing Light	15	F			DLV20
ATF Metal Process Camera with 2 pulsed Xenon Lamps	32	F	51-1-1063	30x40	241
Douthitt Temperature Control Sink	34	P	0004446		DDC
NuArc Platemaker	8	G	69C73-2		FT26M
Levy Halftone Screen, 110 line	47	F	26737	8x10"	
Levy Halftone Screen, 120 Line	29	F	36039	10x12"	
NuArc Jet Line Deluxe Light Table	19	F	58F64-1	25x32"	JLT-32F
Xerox Processor	27	P	52-50125		D
Xerox Fuser	27	P	18-5036		
Xerox Camera	27	P	20-50296	#4	1840
Xerox Tone Tray	27	P	41-50180		
Dryedge Film Dryer	8	F	F491		1418
Processor	6	U	2639		DD2666
Gavaert Processor	6	U	10616	14"	DD1437
Brown/Hulen Standard Register Punch	5	G	5377-26	23x36"	S-26
Processor, Diffusion Transfer	2	E	2533		PCA
Densitometer (PMT)	2	E	78868		100 OR
Exposure Computer (PMT)	2	E	840899		100
NuArc Light table	1	N	115A82-27	30x40"	VLT-42F
NuArc Light table	1	N	115A82-29	30x40"	VLT-42F
Rubup table	1	N	74L81-3	39x33"	RUB40
NuArc Line-up table	1	N	47-C-82-C	48x40"	RR-31F
Processor, Rapidoprint, and Agfa Gevaert Dryer	1	N	55611-4010		DD5400
PRESSES AND RELATED EQUIPMENT:					
ATF Chief, Offset Press	20	F	5095	17x22"	DE
A&M 1250L Multilith Offset Press/Chain Delivery	8	G	281321	11x17"	A&M1250
2850 Multilith Offset Press/Chain Delivery	8		272202	11x17"	A&M2850

SIGNATURE	OFFICIAL TITLE	DATE SUBMITTED
	Chief, Br. of Production and Distribution	3-4-83

*Condition: N—new; E—excellent; G—good; F—fair; P—poor; U—unserviceable. [illegible] (OVER)

DESCRIPTION Group and identify by type of machinery in the following order: Composing, platemaking, printing presses, binding, and related equipment.	AGE	CONDITION*	SERIAL NO.	SIZE	MODEL
PRESS AND RELATED EQUIPMENT:--Con'd.					
Profiteer 25-1 Offset Press	8	G	CA-316	19x25"	25-1
Truck, Pallet Handlift, Hydraulic Skid Adaptor	14	F	0016042		PT-50
Truck, Pallet, Handlift	8	F	16947		PT-30
Truck, Pallet, Low-lift	5	G	12255		LLP-F
Multilith Offset Press Duplication	12	F	228101	$10\frac{3}{4}$x$14\frac{1}{4}$	A&M2650
Chain Delivery System Attachment	6	G	13-5-142081		
Electrostatic Master Imager	7	G	03800		A&M805
Receding Stacker	7	G	1215-2300-A		
Xerox 9400	5	F	X759015890		9400
Xerox Jogger and Stitcher, 920	3	G	X719004032		A
Syntron Jogger	3	G	M-81925		J50
Jomac Roller Cleaner/Dryer (RC)	3	G	801567	48"	US 3814
Scale, Ohaus, triple beam	2	F	2610g		810W
Syntron Jogger	1	N	M-81615		J50 B
BINDERY AND RELATED EQUIPMENT:					
Bostitch Stitcher	16	F	6742	0-9/16"	19F
Acme Stapler	20	F	20077	1/8x1/8"	N3A
Pitney-Bowes Collator	11	G	691111189		50-1
Pitney-Bowes Stitcher	10	G	72052124		SS-1
Bates Electric Stapling Machine	19	P	517798	Single H	C
Challenge Hydraulic Paper Cutter	25	P	28606	37"	370
Electric Punching Machine	20	P	002405		316-FP
Electric Punching Machine	8	G	2103315		111-PM
Bunn Package Tying Machine	22	F	32363		F 962
Electric Binder	19	P	001589		316-EB
Plastic Punching Machine, T-Slot	32	F	1388		TPC-3
Challenge Paper Drill	8	G	40328	3-spindle	EH-3A
Stapler Electric	7	G	161809		SJM-1
Pitney-Bowes Folder	7	G	9752		1861
Pitney-Bowes Inserter	7	G	9068		3307
Pitney-Bowes Collator HSR-50-P	3	F	2102		1546
Pitney-Bowes Stacker	3	F	2289		1547
Pitney-Bowes Saddle Folder	2	F	2881		1439
Pitney-Bowes Head Stitcher	3	F	5311		1416
Pitney-Bowes Inserter (A-enclosure)	3	F	6798		3134
Baum Folder, 420 Series	1	N	U1155	20x32"	3 3
ADDRESSING, MAILING, AND OTHER EQUIPMENT:					
Addressograph	15	F	856942		5000
Addressograph	6	F	308993		5000
Graphotype	17	P	0941306		6441
Graphotype	6	F	309235		6441
March Electric Dial-Taper	21	F	12296	Stand.	3D
International Mailing Scale (Pitney-Bowes)	16	F	2116		S-22
Pitney-Bowes Mailomatic, Counting Head	8	G	79es	RTPH-6	4380
Sealing Machine (Tape)	8	G	5555		35325
Sharp Compet Electronic Calculator	7	G	58014461		CS-1151
Sharp Compet Electronic Calculator	6	G	68023782		CS-1153
Sharp Compet Electronic Calculator	6	G	68081289		CS-1153
Embossograph	14	F	1422217	14x22"	2778

*Condition: N—new; E—excellent; G—good; F—fair; P—poor; U—unserviceable.

ITEM - 3b

BRANCH OF PRODUCTION AND DISTRIBUTION

	Grade	Salary	(WP per hr.)
Processing Section			
Printing Officer (Vacant)	GS-1654-11/1	24,508	
Layout Planner	WP-4401-12/4	21,465	($10.32)
Foreman I, Bindery	WP-4402-00/5	22,464	($10.80)
Bindery Operator	WP-4402-7/00	23,420	($11.26)
Bindery Worker	WP-4402-4/00	19,698	($ 9.47)
Bindery Worker	WP-4402-4/5	18,678	($ 8.98)
Bindery Worker	WP-4402-4/4	17,368	($ 8.35)
Addressograph Equipment Operator	WP-4462-3/5	17,992	($ 8.65)
Addressograph Equipment Operator	WP-4462-3/5	17,992	($ 8.65)
Foreman II, Printing Plant	WP-4401-00/3	26,250	($12.62)
Offset Press Operator	WP-4417-14/5	24,939	($11.99)
Offset Press Operator	WP-4417-12/3	20,259	($ 9.74)
Offset Press Operator (Vacant)	WP-4417-12/5	23,088	($11.10)
Offset Press Operator (Vacant)	WP-4417-14/5	23,982	($11.53)
Offset Press Operator Helper	WP-4417-5/00	20,405	($ 9.81)
Offset Photographer	WP-4414-14/4	23,192	($11.15)
Film Assembler Stripper	WP-4405-12/2	19,864	($ 9.55)
Supervisory Printing Clerk	GS-351-7/4	18,215	
Printing Clerk (Typing)	GS-351-6/6	17,386	
Clerk-Typist	GS-322-5/3	14,261	
Clerk-Typist	GS-322-4/3	12,745	
Clerk-Typist*	GS-322-4/2	12,347	
Clerk-Typist	GS-322-4/1	11,949	

*Permanent part time (32 hr. week).

10. Savings by type of action:

Savings in FY 1983 and FY 1984 will be accomplished by not filling three existing vacancies; and carefully monitoring expenditures in the areas of equipment and supplies.

NOTE: Log in each job in February 1983

LOG OF JOBS

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
JACKET REQUISITION OR ORDER NUMBER	TYPE OF CLASSIFICATION	TITLE	NUMBER OF PAGES	NUMBER OF COPIES	FINISHED PRINTED PAGE SIZE	NUMBER OF PLATES	PRESS SIZE	TOTAL ACTUAL PRESS IMPRESSIONS	BINDERY OPERATIONS REQUIRED (FORMS)	TYPE OF BINDING (BOOKS & PAMPHLETS)	DISTRIBUTION NUMBER OF DESTINATIONS	DATE REC'D	REQUESTED DELIVERY DATE	DATE DELIVERED
26740	--	Personnel Briefs	4	600	8-1/2 x 11	2	11x17	1,200	--	Fold	*2	1-31	ASAP	2-3
26741	--	PRC FY83 Program of Research	87	1,000	8-1/2 x 11	46	11x17	46,000	--	Punch & Plastic Bind	*2	1-31	2-9	2-10
26742	--	Circular Letter #1156	5	1,050	8-1/2 x 11	3	11x17	3,150	--	Top Stitch	*2	2-1		2-3
26743	--	NCR Form PETC F 4250.1	5	1,200 sets	8-1/2 x 11	5	10x14	6,000	Cut & Pad	--	1	1-31		2-15
26744	--	USDOI, BuMines Certificate of Trng.	1	100	11 x 8-1/2	1	10x14	100	--	--	1	1-29	ASAP	2-4
26745	--	FORM-PETC F 5871.9	1	600	8 x 5	1	11x17	150	Cut & Pad	--	1	1-31		2-4
26746	--	BuMines Logos	1	12	8-1/2 x 11	1	10x14	12			1	2-1		2-9
26747	--	RI 8763**	8	2,000	8-1/2 x 11					Saddle Stitch	*9	1-31	ASAP	
26748	--	RI 8761**	17	2,500	8-1/2 x 11					Saddle Stitch	*9	1-27		
26749	--	Supervisor's Briefs	4	100	8-1/2 x 11	2	11x17	200		Fold	1	2-1	2-8	2-4
26750	--	Card for Library Material	1	600	3x5	1	10x14	150	Cut		1	2-1		2-7
26751	--	Technology News No. 167	2	16,100	8-1/2 x 11	2	17x25	8,050	Cut		*17	2-1	2/82	2-24
26752	--	RI 8764**	12	2,200	8-1/2 x 11					Saddle Stitch	*9	1-31		

*Includes mailing list, counted as 1 distribution.
**These jobs are commercially procured after being typed and set-up in Pittsburgh.

NOTE: Log in each job in February 1983

LOG OF JOBS

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
JACKET QUISITION OR ORDER NUMBER	TYPE OF CLASSIFICATION	TITLE	NUMBER OF PAGES	NUMBER OF COPIES	FINISHED PRINTED PAGE SIZE	NUMBER OF PLATES	PRESS SIZE	TOTAL ACTUAL PRESS IMPRESSIONS	BINDERY OPERATIONS REQUIRED (FORMS)	TYPE OF BINDING (BOOKS & PAMPHLETS)	DISTRIBUTION NUMBER OF DESTINATIONS	DATE REC'D	REQUESTED DELIVERY DATE	DATE DELIVERED
26753	--	RI 8765**		2,500	8-1/2 x 11					Saddle Stitch	*9	1-31		
26754	--	Rept--Summary Proceed of 1st Joint Mine Health and Safety	55	500	8-1/2 x 11	28	11x17	14,000	Cut	Side Stitch	1	2-7	2-10	2-10
26755	--	New Publications, #812	7	4,800	8-1/2 x 11	2	17x22	9,600	Cut	Side Stitch	*6	2-8	ASAP	2-14
26756	--	RI 8766**		2,100	8-1/2 x 11					Saddle Stitch	*9	1-31		
26757	--	RI 8767**		2,200	8-1/2 x 11					Saddle Stitch	*9	1-31		
26758	--	RI 8768**		2,200	8-1/2 x 11					Saddle Stitch	*9	2-3		
26759	--	Preprint 1981 BuM MYB Iowa	11	100	5-7/8 x 9-1/8	6	11x17	600	Fold	Saddle Stitch	1	2-9	2-14	2-16
"	--	New Hampshire	7	100	5-7/8 x 9-1/8	4	11x17	400	Fold	Saddle Stitch	1	2-9	2-14	2-16
26760	--	Preprint:1981 BuM MYB Graphite	13	200	5-7/8 x 9-1/8	8	11x17	1,600	Fold	Saddle Stitch	1	2-9	2-14	2-16
26761	--	Cover - PRC	1	500	8-1/2 x 11	1	10x14	500			1	2-9		2-14
26762	--	Post Card	2	5,000	5-1/2 x 3-1/2	1	10x14	5,000			1	2-10		2-16
26763	--	Film Borrower's Agreement	1	5,000	8 x 8-3/4	1	11x17	5,000			1	2-10		2-15
26764		Reprint: IC 8842	15	1,000	8 x 10-1/2	9	11x17	9,000	Fold	Saddle Stitch	2	2-4		2-15

*Includes mailing list, counted as 1 distribution.

**These jobs are commercially procured after being typed and set-up in Pittsburgh.

NOTE: Log in each job in February 1983

LOG OF JOBS

1 JACKET REQUISITION OR ORDER NUMBER	2 TYPE OF CLASSI-FICATION	3 TITLE	4 NUMBER OF PAGES	5 NUMBER OF COPIES	6 FINISHED PRINTED PAGE SIZE	7 NUMBER OF PLATES	8 PRESS SIZE	9 TOTAL ACTUAL PRESS IMPRESSIONS	10 BINDERY OPERATIONS REQUIRED (FORMS)	11 TYPE OF BINDING (BOOKS & PAMPHLETS)	12 DISTRIBUTION NUMBER OF DESTINATIONS	13 DATE REC'D	14 REQUESTED DELIVERY DATE	15 DATE DELI-VERED
26765	--	PRC Internal Report 4399	18	20	8-1/2 x 11	XEROX	9600	360		Side Stitch	1	2-10		2-11
26766	--	IC 8927**		1,600	8-1/2 x 11					Saddle Stitch	*9	2-7		
26767	--	IC 8928**		2,100	8-1/2 x 11					Saddle Stitch	*9	2-11		
26768	--	Set Cover, Title & Catalog for IC 8925									1	1-31		2-22
26769	--	NCR Form PETC F 1360.1	1 (3/st)	500 sets	8-1/2 x 11	1	10x14	1,500	Pad		1	2-11		
26770	--	NCR Form PETC F 1360.2	1 (3/st)	500 sets	8-1/2 x 11	1	10x14	1,500	Pad		1	2-11		
26771	--	B&S Co. Drawings	9	1	11x17	REDUCED AND HT's made					1	2-10	ASAP	2-14
26772	--	Letterhead	1	10,000	8-1/2 x 11	1	17x22	2,500	Wrap		1	2-14		3-03
26773	--	Card: Equip. Info.; Maint. Record	2 2	500 500	8 x 5 8 x 5	1 1	11x17 11x17	500 500	Cut Cut		1 1	2-14	ASAP	2-16
26774	--	Letterhead	1	3,000	8-1/2 x 11	1	11x17	1,500	Wrap		1	2-15		2-17
26775	--	NCR Form PETC F 1420.4	1 (3/st)	500 sets	8-1/2 x 11	1	10x14	1,500	Pad		1	2-16		2-17
26776		Overprint: Envelopes BuMines	1	2,500	9-1/2 x 4-1/8	1	10x14	2,500			1	2-16	2-22	2-18

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26777	--	Technology News No. 168	2	16,100	8-1/2 x 11	2	17x22	8,050	Cut		*17	2-18		
26778	--	Form PETC F 5871.10	1	600	8 x 5-1/4	1	11x17	300	Cut & Pad		1	2-18		3-01
26779	--	NCR Form PETC F 4420.1	1 (3/st)	1,000 sets	8-1/2 x 7	1	10x14	3,000	Cut & Pad		1	2-18		2-2
26780	--	Handling of: Reflective Decals	2	Var	1" & 2" Diam.	Procured through GPO Philadelphia					1	2-22		
26781	--	MSHA Form 2000-84	1	1,500	8-1/2 x 11	1	11x17	750			1	2-22		2-7
26782	--	B&S Co. Drawings for A&CC	9	400	17x11	9	11x17	3,600			1	2-22	ASAP	2-2
26783	--	Reports requested for March 1982. MIS	SEE ATTACHED SHEETS											
26784	--	New Publications #813	12	4,800	8-1/2 x 11	3	17x22	14,400		Side Stitch	*6	2-23	ASAP	3-0
26785	--	Poster--Spring 1983 PETC Seminars on	1	300	11x16	1	11x17	300			1	2-23	2-28	2-2
26786	--	Camera Copy IC 8916**	19	2,500	8-1/2 x 11					Saddle Stitch	*9	2-23		
26787	--	Circular Letter #1157	3	1,050	8-1/2 x 11	2	11x17	2,100		Fold	*2	2-23		2-2
26788	--	RI 8769**		2,200	8-1/2 x 11					Saddle Stitch	*9	2-22		

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
JACKET REQUISITION OR ORDER NUMBER	TYPE OF CLASSIFICATION	TITLE	NUMBER OF PAGES	NUMBER OF COPIES	FINISHED PRINTED PAGE SIZE	NUMBER OF PLATES	PRESS SIZE	TOTAL ACTUAL PRESS IMPRESSIONS	BINDERY OPERATIONS REQUIRED (FORMS)	TYPE OF BINDING (BOOKS & PAMPHLETS)	DISTRIBUTION NUMBER OF DESTINATIONS	DATE REC'D	REQUESTED DELIVERY DATE	DATE DELIVERED
26789	--	IC 8929**		2,000	8-1/2 x 11					Saddle Stitch	*9	2-22		
26790	--	Overprint Keysort (1) Cards (2)	1 1	1,500 500	5x8 5x8	1 1	10x14 10x14	1,500 500			1	2-24		2-25
26791	--	Handling of: Computer Prtout paper/Discla	1	12,000	Procured through GPO - Philadelphia						1	2-24		
26792	--	HSA Invitational Ltr & Annual Meeting	1	750	8-1/2 x 11	1	11x17	375			1	2-24	3-2	3-02
26793	--	FORM- PETC F 5871.12	1	600	8x5	1	11x17	300	Cut & Pad		1	2-24		3-01
26794	--	PRC Internal Report 4402	19	20	8-1/2 x 11	XEROX	9400	380		Side Stitch	1	2-24		2-25
26795	--	RI 8770**		2,000	8-1/2 x 11					Saddle Stitch	*9	2-22		
26796	--	Label - Anemometer Calibration	1	2,000	1-1/2" x 3-1/8"	1	10x14	134	Cut		1	2-25		3-01
26797	--	Reprint: Label - Anemometer Calibration	1	10,000	do.	1	10x14	667	Cut		1	2-25		3-02
26798	--	FORM - PETC F 5871.11	1	600	8 x 5	1	10x14	300	Cut		1	2-25		3-01
26799	--	BuMines Tech Trans Proposed Activities, 1983	2	14,025	7x8-1/2"	1	17x22	7,015	Cut		2	2-25		

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LOG OF JOBS

ATTACHMENT FOR PAGE 4

4-1

MIS's Received during February, 2 job no.

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26714	--	Lead Industry, November 1982	10	2,475	8-1/2 x 11	5	11x17	12,375		Side stitch	*6	2-01		2-7
"	--	Copper Industry, November 1982.	14	3,300	do.	4	17x22	13,200		Side Stitch	*6	2-01		2-8
"	--	Tungsten in November 1982	6	2,125	do.	3	11x17	6,375		Side Stitch	*6	2-1		2-8
"	--	Manganese in Nov. 1982	6	2,100	do.	3	11x17	6,300		Side Stitch	*6	2-2		2-8
"	--	Aluminum Ind. Nov. 1982	7	2,575	do.	4	11x17	10,300		Side Stitch	*6	2-2		2-9
"	--	Zinc Ind., Nov. 1982; Smelter Prod., Dec. "82	12	2,575	do.	3	17x22	7,725		Side Stitch	*6	2-2		2-10
"	--	Chromium in Nov. 1982	6	2,300	do.	3	11x17	6,900		Side Stitch	*6	2-3		2-10
"	--	Molybdenum Nov. 1982	5	2,300	do.	3	11x17	6,900		Side Stitch	*6	2-3		2-9
"	--	Cobalt November 1982	5	2,125	do.	3	11x17	6,375		Side Stitch	*6	2-3		2-10
"	--	Mktble Phosphate Rock December 1982.	4	2,200	do.	2	11x17	4,400		Fold	*6	2-4		2-9
"	--	Frasch & rec. Sulfur December 1982	4	2,075	do.	2	11x17	4,150		Fold	*6	2-4		2-9
"	--	USProd. Soda Ash, December 1982	5	1,475	do.	5	11x17	4,425		Side Stitch	*6	2-4		2-10

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LOG OF JOBS ATTACHMENT FOR PAGE 4 4-2

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26714	--	Vanadium, Nov. 1982	8	1,950	8-1/2 x 11	4	11x17	7,800		Side Stitch	*6	2-4		2-10
"	--	Cement, December 1982	19	2,825	do.	5	17x22	14,125		Side Stitch	*6	2-4		2-11
"	--	Lime, December 1982	5	1,700	do.	3	11x17	5,100		Side Stitch	*6	2-14		2-16
26783	--	Magnesium, 4th Quarter 1982	2	1,825	do.	1	11x17	1,825		Fold	*6	2-22		2-24
"	--	Copper Production, December 1982.	3	3,300	do.	2	11x17	6,600		Fold	*6	2-22		2-24
"	--	Tin, December 1982	5	2,275	do.	3	11x17	6,825		Side Stitch	*6	2-22		2-24
"	--	(Supplement) Cement, December 1982	13	2,825	do.	1 3	11x17 17x22	2,825 8,475		Side Stitch	*6	2-22		2-28
"	--	Gypsum, December 1982	7	1,650	do.	4	11x17	6,600		Side Stitch	*6	2-23		2-24
"	--	Bismuth, 4 Qtr 1982	3	1,500	do.	2	11x17	3,000		Fold	*6	2-24		2-28
"	--	Cadmium, 4 Qtr 1982	4	1,625	do.	2	11x17	3,250		Fold	*6	2-25		3-02
"	--	Iron Ore, Dec. 1982	6	2,125	do.	3	11x17	6,375		Side Stitch	*6	2-25		3-02
"	--	Titanium, 4th Quarter 1982	7	2,350	do.					Side Stitch	*6	2-28		3-03

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LOG OF JOBS

ATTACHMENT FOR PAGE 4

4-3

1 JACKET QUISITION R ORDER NUMBER	2 TYPE OF CLASSI-FICATION	3 TITLE	4 NUMBER OF PAGES	5 NUMBER OF COPIES	6 FINISHED PRINTED PAGE SIZE	7 NUMBER OF PLATES	8 PRESS SIZE	9 TOTAL ACTUAL PRESS IMPRESSIONS	10 BINDERY OPERATIONS REQUIRED (FORMS)	11 TYPE OF BINDING (BOOKS & PAMPHLETS)	12 DISTRIBUTION NUMBER OF DESTINATIONS	13 DATE REC'D	14 REQUESTED DELIVERY DATE	15 DATE DELI-VERED
6783	--	Manganese in December 1982	6	2,100	8-1/2" x 11	3	11x17	6,300		Side Stitch	*6	2-28		3-03
"	--	Silicon in December 1982.	4	1,550	do.	2	11x17	3,100		Fold	*6	2-28		3-03
"	--	Aluminum Industry, December 1982.	7	2,575	do.	4	11x17	10,300		Side Stitch	*6	2-28		
"	--	Iron & Steel Scrap, December 1982	11	2,575	do.	6	11x17	15,450		Side Stitch	*6	2-28		

*Includes mailing list, counted as 1 distribution.

Coal Mining Technology

Question: You are proposing no funding for the coal mining technology program (p. 44). As you state in your justification, "the goal of the program was to develop technology to provide incremental improvements in coal mining productivity." Is there no federal role in this area for the Bureau of Mines?

Answer: The projects under the transferred program have reached a sufficient stage of development so that it would be inappropriate for the Federal Government to continue to fund them. A continuing Federal role in the area of short-term research and development on technology designed to make productivity improvements in coal mining is a low priority for the Administration because: (1) it is inconsistent with Administration policy that emphasizes long-term basic research and development, and (2) the major long-term problem faced by the coal industry is constrained demand due to environmental concerns related to coal utilization. The Administration is addressing this major long-term problem through the ongoing fossil energy research program at the Department of Energy. Therefore, the Administration has chosen to limit the Bureau's role in coal research and development to health and safety technology and to focus the Bureau's productivity research on nonenergy minerals.

Question: Do you have evidence that the mining industry will pick up this type of research?

Answer: To date there is little evidence that the mining industry will pick up this type of research. The worldwide recession has depressed the mining industry and has made any type of research economically difficult at present. In addition, in the face of demand constraints caused by environmental problems associated with coal utilization, successful productivity research would not increase demand for coal. However, industry has shown interest in cooperating during the final stages of some coal productivity research.

Mine Equipment Test Facility

Question: You are proposing to close the Mine Equipment Test Facility (METF) and eliminate the coal mining technology program. Are these two actions inseparable?

Answer: The two actions are not inseparable. The METF is a laboratory much of which is best suited to research on incremental improvements to existing equipment and methods. If the METF was not available, certain coal mining technology research concepts could be tested at other in-house facilities, contractor facilities, and/or cooperating coal mines.

Question: Have you considered closing the METF but continuing the coal mining technology program at another location?

Answer: No, continuing the coal mining technology program would not be consistent with Administration policy as stated previously. A redirected coal mining technology program would not necessarily be location specific. A program of a more fundamental nature could be conducted in the METF, several other Bureau facilities, and those of contractors or cooperators. Parts of the METF, such as the mine roof simulator and the moth-balled hydraulic transport research facility, are unique, and research normally conducted in these areas would not be possible at other locations.

Question: Have you considered keeping the METF open for technology transfer demonstrations?

Answer: The transfer of technology is best accomplished through actual field demonstrations. While the METF could be used for technology transfer, in most cases a field demonstration is preferable.

Question: The facility's primary function is to facilitate research and development of mining equipment and systems under simulated operating conditions. Prior to construction of the METF there were no facilities in the U.S. where this type of research and testing of mining equipment could be conducted. Are other similar facilities now available to take the place of the METF?

Answer: There is no facility that we know of in the U.S. that can duplicate every aspect of the METF. Certain activities can or could be duplicated by manufacturers, but other capabilities such as the Mine Roof Simulator are unique in the U.S.

Question: Have you explored the possibility of allowing private industry to operate (and pay for) the METF?

Answer: In general, industry is interested and is willing to participate in cooperative research as evidenced by discussions between Bureau and industry representatives. However, industry representatives have not been willing to discuss financial support at any level at this time.

Question: Are you proposing that we go back to the old days of underground testing rather than a test facility such as the METF?

Answer: Testing of incremental equipment improvements is more properly conducted by private industry during the course of normal product development programs. In the initial stages, surface testing of equipment developments is more cost effective. The point at which the testing is moved underground should be determined by the private sector.

Question: You state that a request for reprogramming 1984 funds is planned to fund closing the METF. When will this request be submitted?

Answer: We do not now plan to reprogram these funds until at least Congressional Conference action has taken place on the FY 1985 budget. If no funds are available for reprogramming at that time, then the Bureau will wait and reprogram FY 1985 funds to meet the facility's shutdown expenses.

Question: How much is it going to cost to close the facility?

Answer: The Bureau estimates a first year cost of $225,000 to place the facility in a standby condition and $850,000 to close it.

Question: What programs are going to be reduced in this reprogramming?

Answer: Initial consideration is being given to reprogramming geomechanical research and the evaluation of underground mining systems.

Idaho National Engineering Laboratory

Question: Of the $3,000,000 which goes through the INEL, the Bureau takes $300,000 (10%) for overhead. What exactly does the Bureau do with this money? How is this practice applied? Is the assessment based on an analysis of actual work generated by passing these funds to the INEL? Isn't your general administration account intended to cover some of these expenses?

Answer: Funds earmarked for the INEL contract research program are appropriated to the Bureau and, as such, are not simply passed through to the Department of Energy. The INEL program is an integral part of our minerals and materials research activity and constitutes about 10 percent of our base program. As such, the INEL work is vital to the Bureau's long-range, strategic and critical materials efforts. As is the case with all our research contracts, funds are required for technical contract monitoring. We estimated our first fiscal year costs for monitoring the INEL program to be $300,000 which includes salaries and travel costs of various technical personnel from the Albany, Avondale, Salt Lake City, and Tuscaloosa Research Centers, as well as from the Office of the Assistant Director for Minerals and Materials Research. This amount is subject to change based on our experience and analysis of the actual costs at the end of the first contract year. Only those administrative expenses which include procurement and finance costs associated with the INEL contract are covered by the general administration account. The INEL contract was not assessed for these associated overhead costs.

Mineral Assessments

Question: Based on your testimony last year, this would leave the Forest Service with about 6.7 million acres in RARE II areas left to be done. Doesn't the Wilderness Act of 1964 and related acts direct the Bureau to make these mineral assessments?

Answer: The Wilderness Act of 1964 and related acts direct the Bureau of Mines and the Geological Survey to study specific areas described in the individual acts. In light of the Ninth Circuit Court of Appeals decision in California v. Block, 483 F. Supp. 472 (1982), the Forest Service has proposed to perform additional evaluations of recommended wilderness and nonwilderness land-use decisions that resulted from the RARE II process.

Question: Will the Forest Service have to make land use recommendations without the benefit of your assessments?

Answer: No, because the Bureau will respond to Forest Service priorities and study first those areas on which the Forest Service most urgently needs minerals information. The Bureau started evaluation of 300,000 acres in FY 1984 and will start 300,000 more in FY 1985 on areas selected by the Forest Service. In concert with the Forest Service and the Geological Survey, we are planning future work to minimize the number of decisions made without benefit of Bureau mineral assessments.

Question: What additional amount could be reasonably done on Forest Service and BLM lands in 1985, and how much would it cost?

Answer: In FY 1985 Bureau of Mines land assessment work will be based on the mandated deadline for completion of the BLM land assessments by FY 1989; its main work is studies on 2.3 million acres of BLM lands. To accommodate the urgent needs of the Forest Service, the Bureau has also scheduled 0.3 million acres of new starts in FY 1985, in addition to the BLM work. The logistics and staffing of mineral assessment work require long lead time (more than one year) for efficient performance. Inclusion of 0.3 million additional acres in FY 1985 represents the maximum level of effort for efficient utilization of our professional resources.

FTE Reductions

Question: You plan to cut 48 FTEs (-16%) in your administrative operations account (p. 112). This seems to be too many to be accommodated through attrition. How will these employees be taken off the rolls? Will another reduction-in-force action be necessary?

Answer: A reduction-in-force probably will be necessary to accomplish an FTE reduction of 48.

Question: What is your attrition rate over the past five fiscal years?

Answer: The Bureau's attrition rate over the past five fiscal years was:

FY 1979 = 14.1%
FY 1980 = 14.2%
FY 1981 = 6.2%
FY 1982 = 8.5%
FY 1983 = 10.2%

Unobligated Balances

Question: Your program and financing schedule (p. 130) shows an unobligated balance available at the end of 1983 of $25,116,000. This is 17% of your budget authority. Can you explain this for us?

Answer: The major reasons for the carryover were:

-- Approximately $10 million in contract funds were not obligated because the FY 1983 appropriation act was not passed until December 30, 1982, delaying the initiation of the procurement cycle that normally takes six to nine months. This delay caused many contracts to be impacted by administrative restrictions on fourth quarter obligations.

-- $5.4 million for the Forbes Avenue replacement construction project was not obligated because of changing space requirements.

-- Approximately $4.6 million for the coal productivity program was transferred from the Department of Energy in April 1983, too late to allow completion of the six- to nine-month procurement cycle.

-- Approximately $2.5 million was held in reserve pending the completion of the review of Bureau accounts to avoid possible overobligation of funds. This review is nearing completion and all available funds should be allocated this fiscal year.

The remaining $2.5 million is comprised of four items of $1 million or less: (1) Boulder City Engineering Laboratory closure costs ($1 million); (2) deobligations due to contract cancellations in September 1983 ($0.8 million); (3) funds retained to permit orderly closeout of the Mineral Institutes Program ($0.4 million); and (4) recoveries of prior-year obligations in September 1983 ($0.3 million).

Question: The program and financing schedule also shows $2,603,000 as lapsing. Since almost 60% of your appropriation are no-year funds, this represents a significant amount of one-year funds that lapsed. Can you identify the lapsed amount by budget line item and the reasons for lapsing such a large amount?

Answer: The lapsed amounts in the Bureau's annual account are:

Minerals Information	$ 128,000
Mineral Data Analysis	368,000
General Administration	2,107,000
Total	$2,603,000

The reasons are as follow:

Minerals Information. - Because of the time required to let ADP software development contracts and the uncertainty of the exact funding required until the contracts were let, funds committed for contract were slightly more than was actually obligated and some contracts were let too late in the fiscal year to permit obligation of unused funds.

Mineral Data Analysis. - Because of late snows in the West and an early winter in Alaska, all funds available for the land assessment program element could not be obligated before the close of the fiscal year.

General Administration. - The Bureau did not use postal services at the level projected for FY 1983 and received a $690,000 credit from the U.S. Postal Service in late September 1983. In addition, because of a milder winter and a cooler summer than normal in the Washington, D.C., area, approximately $500,000 was not needed for heating and air conditioning of facilities. The balance of the General Administration balance is due to other factors, including unanticipated delays in hiring and contracting.

Helium Fund

Question: The Helium Act of 1960 requires the sales of helium by the Secretary of the Interior to be at prices adequate to cover all costs incurred and to repay (with interest) funds appropriated or borrowed. With a projected debt of $795,000,000 at the end of FY 1985, this provision has obviously not been followed. Can you briefly explain why little, if any, attempt has been made to repay the debt?

Answer: The helium fund debt was supposed to be self-liquidating by 1985 with a possible 10-year extension on the borrowings. Sec. 6(c) of the Helium Act of 1960 authorized the Secretary to establish the price of helium, which he set at $35 per thousand cubic feet. This price was based on anticipated sales of helium for the next 25 years (through 1985), anticipated purchases of helium for conservation, and prevailing interest rates, about 4 percent; however, helium sales fell from 776 million cubic feet (MMcf) in 1966 to only 193 MMcf in 1971. Furthermore, although helium purchases were terminated in 1973, interest, which had soared to double-digit rates, will have increased the interest debt to an estimated $516.3 million by the end of FY 1985, in addition to the principal debt of $278.3 million, a total debt of $794.6 million. In the last several years major program adjustments and cost savings have been made, such as the consolidation of all major operations at the Exell plant, installation of new, more efficient process equipment, and the shutdown of the Keyes plant. Additionally, emphasis on defense, space, and energy programs requiring helium has increased sales volume and revenue. As a result of these financial improvements in the helium program, $3.6 million has been repaid on the debt in the last 12 months, the first repayments since FY 1978. Another $1 million repayment is planned for FY 1985.

Question: The debt actually becomes due September 13, 1985. The Secretary has some extension authority. Does he have the authority to extend all debts for 10 years? Can we assume he is going to grant this extension?

Answer: The 10-year debt extension authority available to the Secretary applies only to the borrowings of $251.6 million. It does not apply to the net worth debt, $26.6 million, or the compound interest on both, $516.3 million, estimated at the end of FY 1985.

It is apparent that the debt cannot be repaid under the current circumstances of Federal demand, interest rates, and the size of the debt. Even large sales of the helium itself would not generate enough revenue. The Department is considering a number of options to resolve the helium debt issue. It is not likely that an extension of the repayment date will be sought since that will not contribute to a long-term resolution. Once the Administration has decided on a course of action, the Congress will be notified.

Question: Your Revenue and Expense Table (p. 136) shows net losses of: $1,582,000 for 1983; $2,828,000 for 1984; and, $3,810,000 for 1985. Would you explain why your loss is increasing each year?

Answer: The loss is increasing each year because interest on the net worth debt is increasing while revenues are relatively constant.

Question: What are the elements that make up the revenue and expense lines? How much, if any, of the debt is included in the expense figure?

Answer: The elements that make up revenue are helium sales, $10.1 million; helium container rental, storage fees, and services, $5.0 million; and miscellaneous including analytical services, $0.4 million. The elements that make up expense are operating expense, $10.3 million; interest on the net worth debt, $4.7 million; helium inventory change, $2.6 million; depreciation and depletion, $1.7 million; and miscellaneous, $0.1 million. The only element of the debt that is included is interest on the net worth debt.

GAO Recommendations on Research Equipment

Question: In August 1982, the GAO Report on "Research Equipment in the Bureau of Mines: Commitment to Sound Management Needed" (EMD-82-116) stated that past deficiencies in the Bureau had resulted in lost and poorly utilized research equipment. You generally agreed with the GAO's recommendations and reported on specific actions to improve your property management. One recommendation was that you should "regain physical control of all equipment loaned for non-grant or non-contract uses." Why was this federal property loaned out?

Answer: The property was loaned rather than letting it be idle until it was needed again for Bureau research. In addition, by loaning it to schools, the objective of improved training (through use of the equipment) for qualified mineral scientists and engineers was partially met. By loaning it to industry, the objective of transferring the technology that resulted from Bureau research was also met.

Under current Bureau policy, Federal property may be loaned when the following conditions are met

-- The equipment is temporarily unneeded by any Bureau research center.

-- The recipient will use the equipment in the furtherance of important research.

-- The recipient will properly maintain and care for the equipment so as to prevent the deterioration which often occurs when it is placed in storage.

These policies are being followed in every instance that equipment has been loaned.

Question: Have you completed the process of regaining physical control of the property?

Answer: Physical control of Federal property has been regained. Certain property continues on loan:

Salt Lake City Research Center. - One piece of equipment is on loan, under a Memorandum of Agreement to Mid-America for research in a barite project, which will benefit the Bureau. A pump and a power supply are on loan to the Minerals Institute Generic Center at the University of Utah in support of comminution research.

Spokane Research Center. - A seismograph and shear test system is on loan to Montana Tech in support of the school's 1983-84 graduate education programs.

Twin Cities Research Center. - A system of pressure cells and transducers is on loan to Southern Illinois University for work in subsidence that complements the Bureau's subsidence research program. A diamond core drill is on loan to the Institute of Minerals

Research, Michigan Technological University, to be used in gathering data for the Bureau's subsidence program.

Question: Have you published formal procedures for short-term loans of federal property to non-Federal entities?

Answer: Yes. Bureau of Mines Property Management Instruction 83-2 of April 5, 1983, establishes appropriate formal procedures.

Question: Has the Office of Inspector General made followup reviews as recommended by the GAO?

Answer: The followup reviews recommended by GAO are planned for FY 1985. Until then, the Bureau's audit-tracking and followup system provides the OIG with monthly reports on the status of implementation of recommendations in OIG and GAO audit reports.

SUBCOMMITTEE RECESS

Mr. HORTON. Thank you, Mr. Chairman.

Senator MCCLURE. The subcommittee will stand in recess until 2 p.m., April 3, when we will review the fiscal year 1985 budget request for the National Park Service.

[Whereupon, at 12:30 p.m., Monday, April 2, the subcommittee was recessed, to reconvene at 2 p.m., Tuesday, April 3.]

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